

**Minutes of the Listed Company  
Italian Republic**

At 1.15 (one fifteen) p.m. on 14th (fourteenth) April in the year 2008 (two thousand and eight) at no. 214 Viale Sarca, Milan, there appeared before me **Carlo Marchetti**, Rho notary, registered with the Milan Association of Notaries:

- **Dr. Marco Tronchetti Provera**, born in Milan on 18 January 1948, domiciled for the undertaking in Milan at no. 10 Via G. Negri, who is known to me, the notary, personally and who, in his declared capacity as Chairman of the Board of Directors and in the interest of the public limited company:

**"Pirelli & C. Real Estate S.p.A."**

with offices at 10 Via G. Negri, Milan, share capital 21,298,616 euro, registration number in the Milan Trade Register and tax code: 02473170153, entered in the Milan R.E.A. [Economic and Administrative Index] under the no. 589396, asked me to record the Minutes for the extraordinary part of the meeting of the company held at first call following the notice hereunder in order to discuss and deliberate upon the items on the Agenda set out below. I agreed to do so and acknowledged that the meeting (which had already dealt with the ordinary part of the Agenda, recorded in separate Minutes) was then held for the extraordinary part in the following manner -

The person appearing chaired the meeting in accordance with Article 10 of the Articles of Association. First of all, with respect to the extraordinary part, he set forth the communications made on opening and set out hereunder:

- the Meeting was called to discuss and deliberate upon the following:

**Agenda**

***Ordinary part (omitted)***

***Extraordinary part***

*Amendment of Articles 7 (Meeting), 12 and 18 (Management) and 22 (Board of Statutory Auditors) of the Articles of Association. Resolutions inherent and consequent. Attribution of powers;*

- the notice of the Meeting was published in the Official Gazette of the Italian Republic no. 31 of 13 March 2008;
- the notice of the Meeting was also published on 13 March 2008 in *II Sole 24 Ore, Milano Finanza* and *Finanza&Mercati*;
- the Company had not had any request for items to be added to the Agenda, pursuant to Article 126-bis of the Legislative Decree no. 58/1998;

- the share capital amounted to 21,298,616.00 euro, divided into 42,597,232 ordinary shares, each with a nominal value of 0.50 euro;
- as of today, the Company had 1,299,522 own ordinary shares equating to 3.051% of the share capital;
- the documentation relating to the various items on the Agenda was compliant with the disclosure requirements contemplated by the applicable legislation. In particular, the file containing the draft financial statements for the year and the consolidated financial statements as of 31 December 2007, with the corresponding Directors' Report and the reports relating to the other items on the Agenda, had been made available to the public at the registered office and Italian Stock Exchange on March 28, 2008, together with the report of the Board of Statutory Auditors and the auditing company. The aforementioned documentation had also been published on the Company's website;
- this documentation had been handed out at the entrance in a case containing, besides the print copies of the 2007 financial statements (including, among other things, the proposed resolutions formulated by the Board of Directors) the "2007 Sustainability Statement" and the "Annual Review", together with the individual list of candidates submitted to appoint the members of the Board of Directors, which had been filed at the Company's registered office on March 28, 2008, made public according to law and published on the Company's website;
- the print copies of the financial statements had also been sent to the shareholders of the Company who had participated in at least one of the last two meetings and to those who had specifically requested a copy;
- on March 28, 2008, the financial statements of the subsidiary companies and essential data of the associated companies had also been filed at the Company's registered office;
- according to the results in the Register of Shareholders and communications received in accordance with Article 120 of the Legislative Decree no. 58/1998 and all other information in any way available, they held shares amounting to more than 2% of the ordinary capital as follows:

<b>Shareholders / Declarants</b>	<b>No. shares</b>	<b>% of capital</b>
<b>1 PIRELLI &amp; C. S.P.A. (directly)</b>	<b>23,567,964</b>	<b>55.327%</b>
<b>2 ALONY HETZ PROPERTIES &amp; INVESTMENTS LTD</b>	<b>1,565,600</b>	<b>3.675%</b>
<b>3 PURI NEGRI CARLO ALESSANDRO</b>	<b>1,026,500</b>	<b>2.409%</b>
of which:		
* directly	399,227	0.937%
* indirectly (through Fratelli		

Puri Negri S.p.a.)	627,273	1.472%
<b>4 DEUTSCHE BANK AG</b>	<b>1,012,436</b>	<b>2.377%</b>
of which with voting rights	823,907	1.934%

- as of today, 1,299,522 ordinary shares, amounting to around 3.051% of the share capital, were held by Pirelli & C. Real Estate S.p.A., whilst no ordinary shares were held by subsidiary companies;
- with regard to the provisions of Article 122 of the Legislative Decree 58/1998, it would appear from the Board of Directors, that there was no shareholders' agreement in place;
- the list of names of the shareholders participating in the Meeting, in their own name or by proxy, would be available at the entrance to the room as soon as it was printed and would then be attached to the Minutes of the Meeting.

The Chairman then:

- asked the shareholders if there were any reason why they could not vote according to current legislation;
- pointed out that all the members of the Board were present at the meeting, with the exception of Messrs Carlo BIANCO, William Dale CRIST, Roberto HAGGIAG and Paola LUCARELLI, who had justified their absence;
- stated that all the Statutory Auditors were present;
- pointed out that the meeting was attended by the representatives of the auditing company, financial analysts and experts, and the members of staff responsible for ensuring that the meeting ran smoothly;
- pointed out that the meeting was attended by Jacopo Franzan, Dolly Predovic and Wolfgang Weinschrod in connection with the role of candidates for the office of member of the Board, the appointment of which was specified in item 2 of the Agenda, and that David Brush was absent, owing to prior commitments abroad;
- specified that in addition to the documentation referred to above, the files containing the current texts of the Articles of Association and the Regulations governing Shareholders' Meetings, as amended at the meeting of 20 April 2007, had also been handed out at the entrance;
- in order to enable participation in the discussions of anyone expressing a wish to do so, exercising the powers with which they were vested by law and by the Regulations governing Shareholders' Meetings, [the Chairman] specified that the members present would have a maximum period of 15 minutes in which to have their say during the course of the discussion, and asked them to observe this timescale, in order to achieve a correct and orderly progression to the proceedings, and that they should keep to the matter in hand during the discussions;
- furthermore, he asked the shareholders intending to speak on the various items on the Agenda to do so using the appropriate forms handed out at the entrance. When invited to take their turn, they were asked to use the microphone located to the right of the chair, to avoid speaking from the platform so that everyone could hear them clearly;

- he pointed out that a recording system was in place to make it easier to record the Minutes, and that a simultaneous interpreting service was available upon request, translating from Italian into English and from English into Italian (headphones were available at the entrance to the room);
- he stressed that any personal data recorded, and any data obtained for accreditation purposes in order to participate in the proceedings, would be used appropriately, solely for the purpose of the Meeting and the Minutes. All data would be handled in accordance with current privacy laws;
- he reminded the members present that no audio or visual recording of the proceedings was permitted;
- he pointed out that, for the purpose of facilitating the proceedings of the meeting, the Company would make use of an appropriate computer system for the purpose of recording attendance at the meeting and for voting purposes;
- before turning to the items on the Agenda, he presented the new voting procedures, using both slides and other means, and stipulated the following:
  - a dedicated electronic device called the "televoter" was available at the entrance, which stored a Member identification code and the corresponding shares held by that Member. A card containing instructions on the use of the televoter was also provided;
  - Voting would be carried out at all times using the televoter and the voting methods were very straightforward;
  - once the procedure for voting on each item of the Agenda had been declared open, Members were asked to press the "YES" key on the televoter keypad to register a vote in favour, or the "NO" key, if they wished to vote against, or the "ABSTAIN" key if they wished to abstain from voting. At this point, before using the "ENTER" key;
  - Members could still amend the choice they had made, simply by using the key relating to the new choice they wished to make. After checking that the choice they had made on the screen was correct, members would then press the televoter's "ENTER" key to confirm their vote, and would receive confirmation of the vote they had made on the screen. At this point, members would only be able to change their vote by using the "assisted vote" unit located to the left of the chair near the platform;
  - those who did not vote or who did not confirm their vote using the ENTER key, would be classified as "NON-VOTING";

- the votes in favour, against and abstaining made in this way and the votes classed as "non-voting" would be automatically recorded and shown analytically as an attachment to the Minutes of the Meeting.
- The aforementioned dedicated unit for "assisted voting" had been set up for shareholders in possession of proxies and intending to make diversified votes according to the shares overall represented;
- he then asked the members present not to enter or leave the room during the voting activities, so that correct account could be taken of the members present;
- he reiterated that procedures for using the televoter were in any case described in detail on the card handed out at the entrance and that there would be staff on hand to provide assistance where necessary;
- he specified that the televoter would also be used to take account of the members present whenever anyone was required to enter or leave the meeting room temporarily. Members leaving the meeting for good or at the end of the meeting, were required to return it to relevant member of staff;
- he pointed out that, since, for each item for discussion, the relevant documentation had been made available to the public according to law (including on the Internet), had been sent to all those who requested it and to those who had participated in at least one of the last two meetings, and also had been handed out at the entrance to the room, as was customary and in order to ensure that the greatest amount of time was devoted to the discussion, the documentation was not read out.

Having stated the above, the Chairman:

- pointed out, for constitution purposes, that a total of 68 shareholders had participated in the Extraordinary Meeting in person or by proxy, making a total of 26,468,839 ordinary shares. Those attending the meeting therefore held a total of 62.13% of the ordinary shares;
- he noted and acknowledged that the Extraordinary Meeting had been duly constituted and could discuss and deliberate upon the sole item on the Agenda;
- he specified that, as with the documentation relating to the items discussed at the Ordinary Meeting, the proposed resolutions contained in the Directors' Report were not read out. A copy of the Directors' Report on the sole item on the Agenda for the Extraordinary Meeting was attached as Annex "A".

\* \* \*

Turning to the discussion of the sole item on the Agenda for the Extraordinary Meeting "*Amendment of Articles 7 (Meeting), 12 and 18 (Management) and 22 (Board of Statutory Auditors) of the Articles of Association. Resolutions inherent and consequent. Attribution of powers.*", the Chairman:

- reminded those present that, on this matter, the proposed resolutions mainly concerned the need to

adapt the text of the current Articles of Association to the new legal and regulatory provisions. With this in mind, further formal amendments and clarification were proposed to achieve greater clarity;

- he then opened the discussion and again invited comments relating to the item in question. He reiterated that speakers would each have a maximum of 15 minutes to have their say. He stipulated that at the end of the question and answer session, and any objections there may be, it would be possible to formulate voting declarations.

**Fabris**, with regard to the proposed amendment of Article 7, proposed specifying that the two days stated for the filing of the certification should be taken to mean two working days.

With regard to the amendment in connection with the dates by which the financial statements should be approved, it was to be noted that in fact the new provisions requiring the company to do so within 120 days would probably be changed. The suggestion was therefore made to add the right to approve the financial statements within 180 days of the close of the financial year, "where required by law".

With regard to Article 12 of the Articles of Association, he pointed out that this article specified that the directors were not required to observe a condition of non-competition, unless the meeting resolved otherwise. However, Article 2390 stipulated that the directors could not assume the capacity of partners with unlimited liability in rival companies, nor carry out rival activity on their own behalf or that of third parties, nor be directors or managing directors/general managers in rival companies, unless approved by the meeting. Thus, the clause in question introduced an exemption from the legal requirement which, in his opinion, was not allowed. He therefore asked the Board to consider, for the future, the possibility of amending this point in the Articles of Association.

Finally, with regard to other clauses which, in future, might merit amendment, he pointed out that the provision in Article 16 governing the casting vote of the Chairman of the Board of Directors might, in fact, be deleted, since a situation involving an equal number of votes for and against would be very serious for the Board which should, in this case, resign.

In reply, the **Chairman** reiterated that it was in fact the law that stipulated that the two days allowed for the filing of the certification should be working days. With regard to the new provision governing the deadline for approving the financial statements, he pointed out this provision stemmed from Community legislation and thus it was unlikely that it would be amended in the near future.

The non-competition clause, in turn, appeared to be compatible with legal requirements, whilst the regulation governing the casting vote needed only to propose a solution for the unlikely event that the Board should fail to reach agreement.

**Rimbotti**, asked nonetheless that the non-competition clause stipulated in the Articles of Association should be reconsidered in future since, in theory, taking into account the way the clause was worded, all the directors might carry out activity that rivalled the activity of the Company.

The **Chairman** reiterated that in any event for a listed company, the issue of the composition of the Board of Directors was also governed by several other provisions, including those resulting from the adoption of the Corporate Governance Code, which provided for a balanced composition to the management body.

Since no one else asked to speak, the Chairman:

- declared the discussion on the sole item on the Agenda of the Extraordinary Meeting to be closed;
- asked the members present to refrain from leaving the room during the voting session;
- asked the proxy-holders who intended to cast contrasting votes on this issue, to go to the "assisted voting" station;
- stated that the other Shareholders could remain where they were and cast their own votes using the televoter, in the manner described above;
- noted that there were 66 members present, overall, bearers of 26,467,384 ordinary shares, equal to 62.134047% of the ordinary share capital;
- put the proposed resolution to the vote (at 13:30) that was set out on pages 90-96 of the accounts file handed out at the entrance and transcribed below (setting out the single text proposed):

*"The Extraordinary Meeting of Shareholders of Pirelli & C. Real Estate S.p.A.,*

- \* *having regard to the Legislative Decree no. 195 of 6 November 2007;*
- \* *having regard to CONSOB Resolution no. 15915 of 3 May 2007;*
- \* *having examined the Directors' Report setting out the proposed amendment of Articles 7 (Meeting), 12 and 18 (Management) and 22 (Board of Statutory Auditors) of the Articles of Association;*

#### ***resolves***

1) *to amend Articles 7 (seven), 12 (twelve), 18 (eighteen) and 22 (twenty-two) of the Articles of Association of Pirelli & C. Real Estate S.p.A. as follows:*

#### **" Article 7**

*The convening of the meeting, which can take place in Italy, at or outside the registered office, and the right of attendance and representation at the meeting are governed by law and by the Articles of Association.*

*For the Extraordinary Meeting, the notice of the meeting may provide for a third call.*

*The shareholders for whom the Company has received the communication specified by subsection two of Article 2370 of the [Italian] Civil Code, at least two days prior to the date of the individual meeting, are entitled to attend the meeting.*

*The Ordinary Meeting must be convened within 120 days of the close of the company's financial year. Requests to include items on the Agenda for the meeting, made by shareholders according to law, must be set out in a report prepared by these shareholders to be filed at the registered office in good time in order to be made available to members at least 10 days before the date scheduled for the meeting at first call.*

#### **Article 12**

*The company shall be managed by a Board of Directors comprising between 5 and 19 members who shall remain in office for three financial years (save where a shorter term is agreed by the members of the meeting at the time of the appointment) and may be re-elected.*

*The meeting shall determine the number of members on the Board of Directors, which shall remain firm until otherwise agreed.*

*The Board of Directors shall be appointed on the basis of lists submitted by the shareholders, in accordance with the provisions of the following sections, in which candidates are listed sequentially. The lists submitted by shareholders, and signed by those submitting them, must be deposited at the company's registered office, so that they can be made available to anyone requesting to see them, at least fifteen days before the date scheduled for the Meeting at first call.*

*Each shareholder may submit, or participate in submitting, one list only and each candidate can be included in one list only, on pain of disqualification.*

*The right to submit lists is conferred solely upon shareholders who, on their own or together with other shareholders, overall hold shares representing at least 2 percent of the share capital with the right to vote at ordinary meetings, or less as required by the regulations issued by the Commissione nazionale per le Società e la Borsa [National Commission for Listed Companies and the Stock Exchange], with the obligation to provide evidence of the ownership of the number of shares necessary to submit the lists by the deadline for the submission thereof.*

*Each list must be submitted together with the acceptances of the candidacy of individual candidates and declarations whereby the latter state, under their own responsibility, that there is no reason why they cannot be elected nor any conflict, and that they fulfil the conditions stipulated for the offices in question. A Curriculum Vitae will be submitted for each candidate to accompany the declarations, setting out their personal and professional details, and the management and audit positions they have held with other companies, and their eligible status as independent directors, in accordance with legal and/or regulatory requirements and the requirements of the Company itself.*

*Any changes that might take place up until the date of the actual meeting shall be notified to the Company in good time.*

*Any lists submitted which fail to comply with the above conditions shall be considered not to have been submitted.*

*Each individual with the right to vote can vote on one list only.*

*For appointment to the Board of Directors, the following procedure shall be observed:*

- a) four-fifths of the directors to be elected shall be taken from the list receiving the majority of the votes cast by the shareholders in the order in which they appear on this list, rounding down fraction numbers, if any, to the next nearest unit;*
- b) the rest of the directors shall be taken from the other lists; to this end, the votes received by the lists shall be divided subsequently by progressive integers, from one to the number of directors still to be elected.*

*The quotients thus obtained shall be allocated progressively to the candidates on each of these lists, according to the order in which they appear.*

*The quotients allocated in this way to the candidates on the various lists shall be arranged in a single descending order of rank. Those who have received the highest quotients shall be elected.*

*Should several candidates receive the same quotient, the candidate on the list that has not yet elected a director or that has elected the fewest directors shall be elected.*

*Should none of these lists have elected a director or they have elected the same number of directors, the candidate on the list that has received the highest number of votes shall be elected. In the event of a tie between the lists and the same quotient, the whole meeting shall again vote, and the candidate with a simple majority of votes shall be elected.*

*If the list voting system does not produce the minimum number of independent directors required by legal and/or regulatory provisions, the non-independent candidate elected with the highest progressive number in the list which had the highest number of votes shall be replaced by the independent candidate not elected on this same list according to the progressive order of appearance and so forth, list by list, until the minimum number of independent directors is reached.*

*If any directors are not appointed according to the procedure specified above, the meeting shall deliberate by the majorities required by law.*

*If, during the course of the year, one or more directorships should become vacant, the provisions of Article 2386 of the [Italian] Civil Code shall apply.*

*The loss of a director's independent status shall not constitute grounds for forfeiture of office if the minimum number of members required by legal and/or regulatory provisions and meeting the legal conditions for independence remains in office.*

*Should more than half of the directors resign or vacate office for any other reason, the entire Board of Directors shall be considered deprived of its rights with effect from the time of its reorganisation.*

*Unless otherwise agreed by the Meeting, the directors shall not be bound by the prohibition set out in Article 2390 of the Civil Code.*

#### **Article 18**

*The Board of Directors is vested with the widest powers for the ordinary and extraordinary management of the company, with the right to carry out, without limitation whatsoever, all the activities considered appropriate in order to implement and achieve the company object, excluding only those which the law and the Articles of Association reserve specifically to the competence of the meeting.*

*Within the limits of the law, the Board of Directors is vested with the power to decide upon mergers or demergers, the reduction of the share capital where shareholders exercise their right of withdrawal, the adaptation of the Articles of Association to regulatory provisions, the transfer of the registered office within national territory, and the setting up or closing down of secondary offices.*

*The Board of Directors and the Board of Statutory Auditors shall be informed, including through their representatives, of the activity carried out, the general management trends, the foreseeable trends and all significant economic, financial and asset activities carried out by the company or subsidiaries. In particular, representatives shall report on the activities in which they have an interest, on their own behalf or that of third parties, or which may be influenced by the subject that carries out the management and coordination activity, if applicable.*

*These reports shall be made in good time, and in any case, at least every three months, at meetings or in written form.*

#### **Article 22**

*The Board of Statutory Auditors is made up of three statutory auditors and two alternate auditors who meet the requirements of current legal and regulatory provisions. To this end, it shall be considered that the matters and sectors of activity closely connected to those of the company are specified in the objects of the company, with particular regard to companies or entities active in the financial, industrial, banking, insurance and property fields and the service sector in general.*

*The Ordinary Meeting elects the Board of Statutory Auditors and determines their fees. The election of one statutory auditor and one alternate auditor is reserved for the minority.*

*Unless otherwise specified in the third-to-last paragraph of this article, the Board of Statutory Auditors is appointed - in accordance with legal and/or regulatory provisions - on the basis of lists presented by the shareholders in which the candidates are listed sequentially.*

*Each list shall contain a number of candidates that does not exceed the number of members to be elected.*

*Shareholders with the right to present lists are those who, on their own or together with other shareholders, represent at least 2 percent of the shares with the right to vote at ordinary meetings, or less as required by the regulations issued by the National Commission for Listed Companies and the Stock Exchange on the submission of lists of candidates for the appointment of the Board of Directors, with the obligation to provide evidence of the ownership of the number of shares required to submit the lists of candidates for the post of auditor in accordance with legal and/or regulatory provisions. Each shareholder may submit or participate in the submission of one list only.*

*The lists of candidates, signed by those presenting them, must be submitted to the company's registered office, available to anyone requesting to see them, at least fifteen days prior to the date scheduled for the meeting at first call, unless extended in the cases provided by legal and/or regulatory provisions. Without prejudice, under all instances, to any other documentation required by legal and/or regulatory provisions, the lists must be accompanied by a description of the Curriculum Vitae concerning the personal and professional details of the candidates designated, and setting out the management and audit posts they have held at other companies, and declarations whereby*

*individual candidates accept their candidatures, and under their own responsibility, state that there is no reason why they cannot be elected nor any conflict, and that they fulfil the conditions required by the relevant regulatory and other provisions and by the Articles of Association for the office. Any changes that might take place up until the date of the actual meeting shall be notified to the Company in good time.*

*Any lists submitted which fail to comply with the above conditions shall be considered not to have been submitted. Each candidate can be inserted on one list only upon pain of disqualification.*

*The lists shall be divided into two sections: one for the post of statutory auditor and the other for the post of alternate auditor. The first candidate in each section must be included among those entered on the Register of Chartered Accountants who have carried out the statutory auditing of accounts for a period of at least three years.*

*Each individual with the right to vote can vote on one list only.*

*The members of the Board of Statutory Auditors shall be elected in the following manner:*

- a) two statutory members and one alternate member shall be taken from the list which received the highest number of votes (majority list), in the sequential order in which they appear on the list;*
- b) the other statutory member and the other alternate member shall be taken from the list which received at the meeting the highest number of votes after the first (minority list) in the sequential order in which they appear on the list. If several lists receive the same number of votes, a second ballot shall be held from among these lists by all the members present at the meeting. The candidates on the list that receives a simple majority of the votes shall then be elected.*

*The chairman of the Board of Statutory Auditors shall be the statutory auditor that appears as the first candidate in the minority list. In the event of the death, resignation or removal from office of a statutory auditor, the alternate auditor belonging to the same list shall take his place. However, if the Chairman of the Board of Statutory Auditors is replaced, the chair shall be assumed by the elected candidate on the list to which the lapsed chairman belonged, according to the order on the list. If replacement is not possible in accordance with the above conditions, a meeting shall be convened to complete the Board of Statutory Auditors which shall deliberate by relative majority. When the meeting appoints, according to the above criteria or according to law, the statutory auditors and/or alternate auditors necessary to complete the Board of Statutory Auditors, the procedure shall be as follows:*

*If auditors elected from the majority list are to be replaced, the appointment shall take place by a majority of the votes without listing constraint. If, however, it is necessary to replace auditors elected from the minority list, the meeting shall replace them by a majority of the votes, selecting them, if possible, from among the candidates on the list to which the auditor to be replaced belonged, and in any case, in accordance with the principle of the necessary representation of minorities, whose right to participate in the appointment of the Board of Statutory Auditors is provided by these Articles of Association.*

*The principle of necessary representation of minorities is considered to have been observed in the event of the appointment of auditors who were candidates on the minority list or other lists other than the list which, at the time of the appointment of the Board of Statutory Auditors, had obtained the highest number of votes.*

*If only one list is submitted, the Meeting shall vote thereupon. If the list receives the relative majority, the candidates indicated in the relevant section of the list shall be elected as statutory and alternate auditors. The person in first place on this list shall be the Chairman of the Board of Statutory Auditors. For the appointment of the auditors for any reason not appointed according to the procedure specified herein, the Meeting shall deliberate by the majorities required by law.*

*The outgoing auditors may be re-elected.*

*Participation at meetings of the Board of Statutory Auditors may take place - should the Chairman or his replacement deem it necessary - by means of electronic communication that allows all participants to take part in the discussion and have equal access to information.*

- 2) to vest the Board of Directors and thus, the Chairman and Deputy Chairman and the*

*Managing Director, separately between them, with every power to fulfil all the formalities necessary to register the adopted resolutions in the Trade Register, accepting and inserting therein any amendments, additions or deletions, formal and non-substantial, that may be requested by the relevant Authorities."*

The meeting approved by majority.

Against: 855,542 shares.

Abstained: 286,276 shares.

For: the remaining 25,325,566 shares.

All as shown in the appendices.

The Chairman declared the result and noted that the new text of the Company's Articles of Association had been approved.

At 1.31 p.m., having also concluded the discussion of the other items on the Agenda, the Chairman declared the proceedings closed and thanked the members present.

\*\*\*

The Chairman issued to me, the Notary:

- The Articles of Association which incorporated the amendments approved by the meeting, attached hereto as Annex "**B**";
- a list of the participants at the meeting with a breakdown of the votes, attached hereto as Annex "**C**".

I read this document to the person appearing who approved it and signed it, as did I. As per the exemption, the annexes were not read out.

Containing fourteen pages [Translator's note: in the original Italian text] typed by a person in whom I trust and completed by me for thirty pages, the thirty-first thus far.

Signed: Marco Tronchetti Provera

Signed: Carlo Marchetti

**EXTRAORDINARY PART**

**Directors' Report in accordance with subsection 1 of Article 72 of the CONSOB Regulation no. 11971 of 14 May 1999, as subsequently amended.**

\*\*\*\*\*

**Amendment of Articles 7 (Meeting), 12 and 18 (Management) and 22 (Board of Statutory Auditors) of the Articles of Association. Resolutions inherent and consequent. Attribution of powers.**

**1. Reasons for the proposed changes**

To the Shareholders,

We have called you to these Ordinary and Extraordinary Meetings to present the proposed resolution to make a number of amendments to the Articles of Association of the Company arising from the need to adapt the text to the provisions of the Legislative Decree no. 58 of 24 February 1998 ("Consolidated Finance Act"), as subsequently amended by the Legislative Decree no. 195 of 6 November 2007, and CONSOB Regulation no. 11971 of 14 May 1999 ("Issuer Regulations"), as subsequently amended by the CONSOB Resolution no. 15915 of 3 May 2007 ("CONSOB Resolution").

The proposed amendments are designed primarily to:

- adapt the term specified to convene Ordinary Meetings to the provisions of Article 154 *ter* of the Consolidated Finance Act;
- align the terms stipulated in order to fulfil the obligation of providing evidence of ownership of the number of shares required to present the lists to elect the Board of Directors to those stipulated by CONSOB for the same obligation incumbent upon the shareholders with regard to "the presentation of the list to elect the members of the Board of Statutory Auditors (Article 144 *sexies*, subsection 4, of the Issuer Regulations).

The opportunity has also been taken to make further amendments and improvements to the text, in order to achieve greater clarity, order and comprehensiveness for the document and provisions contained therein, including minor terminology changes and/or formal changes.

The amendments now proposed to Articles 12 and 22 of the Company's Articles of Association are in addition to those already approved by the members of the meeting of 20 April 2007. This is because the Board of Directors reserved the right to make additional changes to the Articles of Association as a result of regulatory changes issued by CONSOB after the date of the Meeting.

The following paragraphs explain in detail the significance of the aforementioned changes for the individual Provisions of the Articles of Association.

**Article 7 (Meeting)**

The amendment proposed to Article 7 is intended to incorporate into the Articles of Association the changes made to the Consolidated Finance Act by the aforesaid Legislative Decree no. 195 of 6

November 2007, incorporating the Directive 2004/109/CE on the harmonisation of the obligations of transparency in connection with the information on Issuers whose securities are traded on the regulated market.

"Subsection 1 of the new Article 154 *ter* of the Consolidated Finance Act stipulates: "*Without prejudice to the terms of Articles 2429 of the Civil Code and 156, subsection 5, within one hundred and twenty days of the close of the financial year, listed issuers having Italy as their Member State of origin, shall approve the accounts for the year and publish the Annual Financial Report comprising the Financial Statements, Consolidated Balance Sheet, if applicable, the Annual Report and the certification stipulated in Article 154 bis, subsection 5. The Auditors' Reports stipulated in Article 156 are published in full, together with the Annual Financial Report.*"

As a result, listed companies can no longer benefit from the possibility provided by the second subsection of Article 2364 of the Civil Code of derogating from the one hundred and twenty day term in which to have the accounts approved by the Meeting.

Thus, the provision has been deleted from the Articles of Association, relating to the possibility of convening Ordinary Meetings within one hundred and eighty days of the close of the financial year, when specific circumstances so require and subject to giving the reasons for the delay in the Annual Report accompanying the financial statements.

The opportunity is also taken to propose a formal amendment, designed to clarify the fact that the illustrative report for requests to include items on the Agenda for the Meeting should be drafted by the same shareholders as those who make the requests.

#### **Article 12 and 18 (Management)**

The first amendment proposed to Article 12 will make it possible to maintain a parallelism in the methods of electing the members of the Board of Directors and Board of Statutory Auditors, without prejudice to the peculiarities established by the Issuer Regulations with regard to the appointment of the Control Body. Consequently, it is specified that, within the timescale afforded to deposit the lists for the appointment of the members of the Board of Directors (at least fifteen days prior to the date scheduled for the Meeting at first call), the shareholders who submitted them must provide evidence of the ownership of the number of shares necessary to present these lists.

Article 12 was also expanded with the stipulation that, if the application of the list voting mechanism does not produce the minimum number of independent directors, the non-independent candidate elected, denoted by the highest sequential number in the list which achieved the highest number of votes, should be replaced by the independent candidate not elected on the same list according to the sequential order of presentation and so forth, list by list, until the minimum number of independent directors is reached-

The amendment is basically aimed at ensuring that the director appointment procedure i.e. the list voting mechanism, will ensure that the Company's Board of Directors contains the minimum number of independent directors, as required by the applicable legislation (cf. Article 147 *ter*, subsection 4, of the Consolidated Finance Act).

Still on the subject of independent directors, Article 12 is also intended simply to clarify and explain the consequences arising from the loss of status of "independence" of the directors. In order to prevent any double interpretation, it is now expressly stipulated that the loss of a director's independent status shall not constitute grounds for forfeiture of office if the minimum number of members meeting the conditions for independence and thereby complying with the applicable *pro tempore* regulations in force remains on the Board.

The other proposed amendments to this Article 12 and Article 18 are merely formal in nature and designed to give greater clarity to the provisions already in place, or expand upon and explain them as appropriate. In particular, one of the changes made to the text of the Articles of Association is that the second subsection of Article 18 - on the decision-making powers conferred by the Articles of Association on the management board in accordance with Article 2365, subsection 2 of the Civil Code - has been amended solely in order to word the text to ensure greater flexibility and capacity to adapt to any future regulatory changes there may be.

#### **Article 22 (Board of Statutory Auditors)**

The proposed amendments to Article 22 are designed to incorporate the changes introduced by the aforementioned CONSOB Resolution into the Articles of Association.

Subsections 4 and 5 of the new Article 144 *sexies* of the Issuer Regulations stipulate:

*"4. The lists are filed at the company's registered office at least fifteen days prior to the date scheduled for the meeting called to decide the appointment of the auditors, together with:*

- a) information on the identities of the shareholders who have presented the lists, indicating the overall percentage of the shares held and evidence of the ownership of these shares;*
- b) declaration of the shareholders other than those who hold, even jointly, a controlling or majority interest ... certifying they have no connection, in the sense of Article 144 quinquies, with the latter;*
- e) an exhaustive report on the personal and professional details of the candidates, and a declaration by these candidates that they fulfil the requirements stipulated by law and that they accept the candidature.*

*5. If, on the date of the expiry of the term specified in subsection 4, only one list has been submitted, or lists submitted by shareholders who, according to the provisions of subsection 4, are connected to each other in the sense of Article 144 quinquies, lists can be submitted up until the fifth day following that date. In this case, any thresholds specified by the Articles of Association in accordance with X, subsection 2 are reduced by half"*

Thus, the obligation for Shareholders to provide evidence of the ownership of the number of shares required to submit lists at least two days prior to the Meeting at first call was replaced with a more general reference to the terms specified by legal and/or regulatory provisions, such that the new regulatory framework would automatically apply.

Formal amendments were also proposed designed to clarify the fact that the nomination and list presentation procedures were to comply with the applicable legal and regulatory provisions.

Finally, the part relating to the replacement of Auditors who have left office further explains the principle of "*necessary representation of the minorities*" specified in the new Article 144 *sexies*, subsection 12, of the Issuer Regulations.

The other amendments proposed to the same Article 22 are merely formal in nature and designed to give greater clarity to the provisions already in place.

## **2. Comparison of the Provisions of the Articles of Association proposed for amendment**

A comparison between the current text of the provisions of the Articles of Association proposed for amendment with the text submitted for your approval is contained in the proposed resolution below.

## **3. Board of Directors' assessment of the right of withdrawal**

The Board of Directors of Pirelli & C. Real Estate S.p.A. does not consider that the amendments to the Articles of Association described above entail a right of withdrawal for the Shareholders in the sense of Article 2437 of the Civil Code.

\*\*\*\*\*

Based on the above, the Board of Directors submits for your approval the following proposed

### **RESOLUTIONS**

"The Extraordinary Meeting of Shareholders of Pirelli & C. Real Estate S.p.a."

- \* having regard to the Legislative Decree no. 195 of 6 November 2007;
- \* *having regard to CONSOB Resolution no. 15915 of 3 May 2007;*
- \* *having examined the Directors' Report setting out the proposed amendment of Articles 7 (Meeting), 12 and 18 (Management) and 22 (Board of Statutory Auditors) of the Articles of Association;*

### **RESOLVES**

- 1) *to amend Articles 7, 12, 18 and 22 of the Articles of Association of Pirelli & C. Real Estate S.p.A. as follows:*

<i>Current Text</i>	<i>Proposed text</i>
<p style="text-align: center;"><b>MEETING</b></p> <p><b><u>Article 7</u></b>  The convening of the meeting, which can take place in Italy, at or outside the registered office, and the right of attendance and representation at the meeting are governed by law and by the Articles of Association.  For the Extraordinary Meeting, the notice of the meeting may provide for a third call.  The shareholders for whom the Company has received the communication specified by subsection two of Article 2370 of the [Italian] Civil Code, at least two days prior to the date of the individual meeting, are entitled to attend the meeting.  The Ordinary Meeting must be convened within 120 days <del>or, when specific circumstances so require, within 180 days</del> of the close of the company's financial year.  <del>If convened within 180 days, the directors shall give</del></p>	<p style="text-align: center;"><b>MEETING</b></p> <p><b><u>Article 7</u></b>  The convening of the meeting, which can take place in Italy, at or outside the registered office, and the right of attendance and representation at the meeting are governed by law and by the Articles of Association.  For the Extraordinary Meeting, the notice of the meeting may provide for a third call.  The shareholders for whom the Company has received the communication specified by subsection two of Article 2370 of the [Italian] Civil Code, at least two days prior to the date of the individual meeting, are entitled to attend the meeting.  The Ordinary Meeting must be convened within 120 days of the close of the company's financial year:</p>

Current Text	Proposed text
<p style="text-align: center;"><b>MEETING</b></p> <p><del>reasons for the delay in the Annual Report accompanying the Financial Statements.</del></p> <p>Requests to include items on the Agenda for the meeting, made by shareholders according to law, must be set out in a report prepared by these shareholders to be filed at the registered office in good time in order to be made available to members at least 10 days before the date scheduled for the meeting at first call.</p>	<p style="text-align: center;"><b>Proposed text</b></p> <p>Requests to include items on the Agenda for the meeting, made by shareholders according to law, must be set out in a report <b><u>prepared by these shareholders</u></b> to be filed at the registered office in good time in order to be made available to members at least 10 days before the date scheduled for the meeting at first call.</p>
<p style="text-align: center;"><b>MANAGEMENT</b></p> <p><b><u>Article 12</u></b></p> <p>The company shall be managed by a Board of Directors comprising between 5 and 19 members who shall remain in office for three financial years (save where a shorter term is agreed by the members of the meeting at the time of the appointment) and may be re-elected.</p> <p>The meeting shall determine the number of members on the Board of Directors, which shall remain firm until otherwise agreed.</p> <p>The Board of Directors shall be appointed on the basis of lists submitted by the shareholders, in accordance with the provisions of the following sections, in which candidates are listed sequentially.</p> <p>The lists submitted by shareholders, and signed by those submitting them, must be deposited at the company's registered office, so that they can be made available to anyone requesting to see them, at least fifteen days before the date scheduled for the Meeting at first call.</p> <p>Each shareholder may submit, or participate in submitting, one list only and each candidate can be included in one list only, on pain of disqualification.</p> <p>The right to submit lists is conferred solely upon shareholders who, on their own or together with other shareholders, overall hold shares representing at least 2 percent of the share capital with the right to vote at ordinary meetings, or less as required by the regulations issued by the Commissione nazionale per le Società e la Borsa [National Commission for Listed Companies and the Stock Exchange], with the obligation to provide evidence of the ownership of the number of shares necessary to submit the lists by the deadline <del>two days prior to the meeting</del>.</p> <p>Each list must be submitted together with the acceptances of the candidacy of individual candidates and declarations whereby the latter state, under their</p>	<p style="text-align: center;"><b>MANAGEMENT</b></p> <p><b><u>Article 12</u></b></p> <p>The company shall be managed by a Board of Directors comprising between 5 and 19 members who shall remain in office for three financial years (save where a shorter term is agreed by the members of the meeting at the time of the appointment) and may be re-elected.</p> <p>The meeting shall determine the number of members on the Board of Directors, which shall remain firm until otherwise agreed.</p> <p>The Board of Directors shall be appointed on the basis of lists submitted by the shareholders, in accordance with the provisions of the following sections, in which candidates are listed sequentially.</p> <p>The lists submitted by shareholders, and signed by those submitting them, must be deposited at the company's registered office, so that they can be made available to anyone requesting to see them, at least fifteen days before the date scheduled for the Meeting at first call.</p> <p>Each shareholder may submit, or participate in submitting, one list only and each candidate can be included in one list only, on pain of disqualification.</p> <p>The right to submit lists is conferred solely upon shareholders who, on their own or together with other shareholders, overall hold shares representing at least 2 percent of the share capital with the right to vote at ordinary meetings, or less as required by the regulations issued by the Commissione nazionale per le Società e la Borsa [National Commission for Listed Companies and the Stock Exchange], with the obligation to provide evidence of the ownership of the number of shares necessary to submit the lists by the deadline <b><u>for the submission thereof</u></b>.</p> <p>Each list must be submitted together with the acceptances of the candidacy of individual candidates and declarations whereby the latter state, under their</p>

own responsibility, that there is no reason why they cannot be elected nor any conflict, and that they fulfil the conditions stipulated for the offices in question. A Curriculum Vitae will be submitted for each candidate to accompany the declarations, setting out their personal and professional details, and the management and audit positions they have held with other companies, and their eligible status as independent directors, in accordance with legal and/or regulatory requirements and the requirements of the Company itself. Any changes that might take place up until the date of the actual meeting shall be notified to the Company in good time.

Any lists submitted which fail to comply with the above conditions shall be considered not to have been submitted. Each individual with the right to vote can vote on one list only. For appointment to the Board of Directors, the following procedure shall be observed:

- a) four-fifths of the directors to be elected shall be taken from the list receiving the majority of the votes cast by the shareholders in the order in which they appear on this list, rounding down fraction numbers, if any, to the next nearest unit;
- b) the rest of the directors shall be taken from the other lists; to this end, the votes received by the lists shall be divided subsequently by progressive integers, from one to the number of directors to be elected.

The quotients thus obtained shall be allocated progressively to the candidates on each of these lists, according to the order in which they appear.

The quotients allocated in this way to the candidates on the various lists shall be arranged in a single descending order of rank. Those who have received the highest quotients shall be elected.

Should several candidates receive the same quotient, the candidate on the list that has not yet elected a director or that has elected the fewest directors shall be elected.

Should none of these lists have elected a director or they have elected the same number of directors, the candidate on the list that has received the highest number of votes shall be elected. In the event of a tie between the lists and the same quotient, the whole meeting shall again vote, and the candidate with a simple majority of votes shall be elected.

own responsibility, that there is no reason why they cannot be elected nor any conflict, and that they fulfil the conditions stipulated for the offices in question. A Curriculum Vitae will be submitted for each candidate to accompany the declarations, setting out their personal and professional details, and the management and audit positions they have held with other companies, and their eligible status as independent directors, in accordance with legal **and/or regulatory** requirements and the requirements of the Company itself. Any changes that might take place up until the date of the actual meeting shall be notified to the Company in good time.

Any lists submitted which fail to comply with the above conditions shall be considered not to have been submitted. Each individual with the right to vote can vote on one list only. For appointment to the Board of Directors, the following procedure shall be observed:

- a) four-fifths of the directors to be elected shall be taken from the list receiving the majority of the votes cast by the shareholders in the order in which they appear on this list, rounding down fraction numbers, if any, to the next nearest unit;
- b) the rest of the directors shall be taken from the other lists; to this end, the votes received by the lists shall be divided subsequently by progressive integers, from one to the number of directors **still** to be elected.

The quotients thus obtained shall be allocated progressively to the candidates on each of these lists, according to the order in which they appear.

The quotients allocated in this way to the candidates on the various lists shall be arranged in a single descending order of rank. Those who have received the highest quotients shall be elected.

Should several candidates receive the same quotient, the candidate on the list that has not yet elected a director or that has elected the fewest directors shall be elected.

Should none of these lists have elected a director or they have elected the same number of directors, the candidate on the list that has received the highest number of votes shall be elected. In the event of a tie between the lists and the same quotient, the whole meeting shall again vote, and the candidate with a simple majority of votes shall be elected.

**If the list voting system does not produce the minimum number of independent directors required by legal and/or regulatory provisions, the non-independent candidate elected with the highest progressive number in the list which had the highest number of votes shall be replaced by the independent candidate not elected on this same list**

If, for any reason, directors are not appointed according to the procedure specified above, the meeting shall deliberate by the majorities required by law.  
If, during the course of the year, one or more directorships should become vacant, the provisions of Article 2386 of the [Italian] Civil Code shall apply.

Should more than half of the directors resign or vacate office for any other reason, the entire Board of Directors shall be considered deprived of its rights with effect from the time of its reorganisation. Unless otherwise agreed by the Meeting, the directors shall not be bound by the prohibition set out in Article 2390 of the Civil Code.

## MANAGEMENT

### **Article 18**

The Board of Directors is vested with the widest powers for the ordinary and extraordinary management of the company, with the right to carry out, without limitation whatsoever, all the activities considered appropriate in order to implement and achieve the company object, excluding only those which the law and the Articles of Association reserve specifically to the competence of the meeting. Within the limits of the law, the Board of Directors is vested with the power to decide upon ~~incorporation with Pirelli & C. Real Estate S.p.A. or demergers in favour of Pirelli & C. Real Estate S.p.A., of the companies in which Pirelli & C. Real Estate S.p.A. has at least 90 percent of the [illegible] stock or shares,~~ the reduction of the share capital where shareholders exercise their right of withdrawal, the adaptation of the Articles of Association to regulatory provisions, the transfer of the registered office within national territory, and the creation or closure of secondary offices.

The Board of Directors and the Board of Statutory Auditors shall be informed, including through their representatives, of the activity carried out, the general management trends, the foreseeable trends and all significant economic, financial and asset activities

**according to the progressive order of appearance and so forth, list by list, until the minimum number of independent directors is reached.**

If, for any reason, directors are not appointed according to the procedure specified above, the meeting shall deliberate by the majorities required by law.  
If, during the course of the year, one or more directorships should become vacant, the provisions of Article 2386 of the [Italian] Civil Code shall apply.

**The loss of a director's independent status shall not constitute grounds for forfeiture of office if the minimum number of members required by legal and/or regulatory provisions and meeting the legal conditions for independence remains in office.**

Should more than half of the directors resign or vacate office for any other reason, the entire Board of Directors shall be considered deprived of its rights with effect from the time of its reorganisation. Unless otherwise agreed by the Meeting, the directors shall not be bound by the prohibition set out in Article 2390 of the Civil Code.

## MANAGEMENT

### **Article 18**

The Board of Directors is vested with the widest powers for the ordinary and extraordinary management of the company, with the right to carry out, without limitation whatsoever, all the activities considered appropriate in order to implement and achieve the company object, excluding only those which the law and the Articles of Association reserve specifically to the competence of the meeting. Within the limits of the law, the Board of Directors is vested with the power to decide upon **mergers** or demergers, the reduction of the share capital where shareholders exercise their right of withdrawal, the adaptation of the Articles of Association to regulatory provisions, the transfer of the registered office within national territory, and the setting up or closing down of secondary offices.

The Board of Directors and the Board of Statutory Auditors shall be informed, including through their representatives, of the activity carried out, the general management trends, the foreseeable trends and all significant economic, financial and asset activities

carried out by the company or subsidiaries. In particular, representatives shall report on the activities in which they have an interest, on their own behalf or that of third parties, or which may be influenced by the subject that carries out the management and coordination activity, if applicable.

These reports shall be made in good time, and in any case, at least every three months, at meetings or in written form.

## BOARD OF STATUTORY AUDITORS

### Article 22

The Board of Statutory Auditors is made up of three statutory auditors and two alternate auditors who meet the requirements of current legal and regulatory provisions. To this end, it shall be considered that the matters and sectors of activity closely connected to those of the company are specified in the objects of the company, with particular regard to companies or entities active in the financial, industrial, banking, insurance and property fields and the service sector in general.

The Ordinary Meeting elects the Board of Statutory Auditors and determines their fees. The election of one statutory auditor and one alternate auditor is reserved for the minority.

Unless otherwise specified in the third-to-last paragraph of this article, the Board of Statutory Auditors is appointed on the basis of lists presented by the shareholders in which the candidates are listed sequentially.

Each list shall contain a number of candidates that does not exceed the number of members to be elected.

Shareholders with the right to present lists are those who, on their own or together with other shareholders, represent at least 2 percent of the shares with the right to vote at ordinary meetings, or less as required by the regulations issued by the National Commission for Listed Companies and the Stock Exchange on the submission of lists of candidates for the appointment of the Board of Directors, with the obligation to provide evidence of the ownership of the number of shares required to submit the lists of candidates for the post of auditor ~~at least two days prior to the meeting at first call.~~

Each shareholder may submit or participate in the submission of one list only.

The lists of candidates, signed by those presenting

carried out by the company or subsidiaries. In particular, representatives shall report on the activities in which they have an interest, on their own behalf or that of third parties, or which may be influenced by the subject that carries out the management and coordination activity, if applicable.

These reports shall be made in good time, and in any case, at least every three months, at meetings or in written form.

## BOARD OF STATUTORY AUDITORS

### Article 22

The Board of Statutory Auditors is made up of three statutory auditors and two alternate auditors who meet the requirements of current legal and regulatory provisions. To this end, it shall be considered that the matters and sectors of activity closely connected to those of the company are specified in the objects of the company, with particular regard to companies or entities active in the financial, industrial, banking, insurance and property fields and the service sector in general.

The Ordinary Meeting elects the Board of Statutory Auditors and determines their fees. The election of one statutory auditor and one alternate auditor is reserved for the minority.

Unless otherwise specified in the third-to-last paragraph of this article, the Board of Statutory Auditors is appointed - **in accordance with legal and/or regulatory provisions** - on the basis of lists presented by the shareholders in which the candidates are listed sequentially.

Each list shall contain a number of candidates that does not exceed the number of members to be elected.

Shareholders with the right to present lists are those who, on their own or together with other shareholders, represent at least 2 percent of the shares with the right to vote at ordinary meetings, or less as required by the regulations issued by the National Commission for Listed Companies and the Stock Exchange on the submission of lists of candidates for the appointment of the Board of Directors, with the obligation to provide evidence of the ownership of the number of shares required to submit the lists of candidates for the post of auditor **in accordance with legal and/or regulatory provisions**.

Each shareholder may submit or participate in the submission of one list only.

The lists of candidates, signed by those presenting

them, must be submitted to the company's registered office, available to anyone requesting to see them, at least fifteen days prior to the date scheduled for the meeting at first call.

The lists must be accompanied by a description of the Curriculum Vitae concerning the personal and professional details of the candidates designated, and setting out the management and audit posts they have held at other companies, and, ~~without prejudice, under all instances, to any other documentation required by legal and/or regulatory provisions,~~ declarations whereby individual candidates:

- accept their candidatures, and, under their own responsibility, state that there is no reason why they cannot be elected nor any conflict, and that they fulfil the conditions required by the relevant regulatory and other provisions and by the Articles of Association for the office.

Any changes that might take place up until the date of the actual meeting shall be notified to the Company in good time.

Any lists submitted which fail to comply with the above conditions shall be considered not to have been submitted. Each candidate can be inserted on one list only upon pain of disqualification.

The lists shall be divided into two sections: one for the post of statutory auditor and the other for the post of alternate auditor. The first candidate in each section must be included among those entered on the Register of Chartered Accountants who have carried out the statutory auditing of accounts for a period of at least three years.

Each individual with the right to vote can vote on one list only.

The members of the Board of Statutory Auditors shall be elected in the following manner:

- a) two statutory members and one alternate member shall be taken from the list which received the highest number of votes (majority list), in the sequential order in which they appear on the list;
- b) the other statutory member and the other alternate member shall be taken from the list which received at the meeting the highest number of votes after the first (minority list) in the sequential order in which they appear on the list. If several lists receive the same number of votes, a second ballot shall be held from among these lists by all the members present at the meeting. The candidates on the list that receives a simple majority of the votes shall then be elected.

them, must be submitted to the company's registered office, available to anyone requesting to see them, at least fifteen days prior to the date scheduled for the meeting at first call, **unless extended in the cases provided by legal and/or regulatory provisions.**

**Without prejudice, under all instances, to any other documentation required by legal and/or regulatory provisions,** the lists must be accompanied by a description of the Curriculum Vitae concerning the personal and professional details of the candidates designated, and setting out the management and audit posts they have held at other companies, and declarations whereby individual candidates:

- accept their candidatures, and under their own responsibility, state that there is no reason why they cannot be elected nor any conflict, and that they fulfil the conditions required by the relevant regulatory and other provisions and by the Articles of Association for the office.

Any changes that might take place up until the date of the actual meeting shall be notified to the Company in good time.

Any lists submitted which fail to comply with the above conditions shall be considered not to have been submitted. Each candidate can be inserted on one list only upon pain of disqualification.

The lists shall be divided into two sections: one for the post of statutory auditor and the other for the post of alternate auditor. The first candidate in each section must be included among those entered on the Register of Chartered Accountants who have carried out the statutory auditing of accounts for a period of at least three years.

Each individual with the right to vote can vote on one list only.

The members of the Board of Statutory Auditors shall be elected in the following manner:

- a) two statutory members and one alternate member shall be taken from the list which received the highest number of votes (majority list), in the sequential order in which they appear on the list;
- b) the other statutory member and the other alternate member shall be taken from the list which received at the meeting the highest number of votes after the first (minority list) in the sequential order in which they appear on the list. If several lists receive the same number of votes, a second ballot shall be held from among these lists by all the members present at the meeting. The candidates on the list that receives a simple majority of the votes shall then be elected.

The chairman of the Board of Statutory Auditors shall be the statutory auditor that appears as the first

The chairman of the Board of Statutory Auditors shall be the statutory auditor that appears as the first candidate in the list ~~set out in letter b) of the previous subsection.~~

In the event of the death, resignation or removal from office of a statutory auditor, the alternate auditor belonging to the same list shall take his place. However, if the Chairman of the Board of Statutory Auditors is replaced, the chair shall be assumed by the elected candidate on the list to which the lapsed chairman belonged, according to the order on the list. If replacement is not possible in accordance with the above conditions, a meeting shall be convened to complete the Board of Statutory Auditors which shall deliberate by relative majority. When the meeting appoints, according to the above criteria or according to law, the statutory auditors and/or alternate auditors necessary to complete the Board of Statutory Auditors, the procedure shall be as follows:

If auditors elected from the majority list are to be replaced, the appointment shall take place by a majority of the votes without listing constraint. If, however, it is necessary to replace auditors elected from the minority list, the meeting shall replace them by a majority of the votes, selecting them, if possible, from among the candidates on the list to which the auditor to be replaced belonged.

If only one list is submitted, the Meeting shall vote thereupon. If the list receives the relative majority, the candidates indicated in the relevant section of the list shall be elected as statutory and alternate auditors. The person in first place on this list shall be the Chairman of the Board of Statutory Auditors. For the appointment of the auditors for any reason not appointed according to the procedure specified herein, the Meeting shall deliberate by the majorities required by law.

The outgoing auditors may be re-elected. Participation at meetings of the Board of Statutory Auditors may take place - should the Chairman or his replacement deem it necessary - by means of electronic

candidate in the **minority** list.

In the event of the death, resignation or removal from office of a statutory auditor, the alternate auditor belonging to the same list shall take his place. However, if the Chairman of the Board of Statutory Auditors is replaced, the chair shall be assumed by the elected candidate on the list to which the lapsed chairman belonged, according to the order on the list. **If** replacement is not possible in accordance with the above conditions, a meeting shall be convened to complete the Board of Statutory Auditors which shall deliberate by relative majority. When the meeting appoints, according to the above criteria or according to law, the statutory auditors and/or alternate auditors necessary to complete the Board of Statutory Auditors, the procedure shall be as follows:

If auditors elected from the majority list are to be replaced, the appointment shall take place by a majority of the votes without listing constraint. If, however, it is necessary to replace auditors elected from the minority list, the meeting shall replace them by a majority of the votes, selecting them, if possible, from among the candidates on the list to which the auditor to be replaced belonged, **and in any case, in accordance with the principle of the necessary representation of minorities, whose right to participate in the appointment of the Board of Statutory Auditors is provided by these Articles of Association.**

**The principle of necessary representation of minorities is considered to have been observed in the event of the appointment of auditors who were candidates on the minority list or other lists other than the list which, at the time of the appointment of the Board of Statutory Auditors, had obtained the highest number of votes.**

If only one list is submitted, the Meeting shall vote thereupon. If the list receives the relative majority, the candidates indicated in the relevant section of the list shall be elected as statutory and alternate auditors. The person in first place on this list shall be the Chairman of the Board of Statutory Auditors. For the appointment of the auditors for any reason not appointed according to the procedure specified herein, the Meeting shall deliberate by the majorities required by law.

The outgoing auditors may be re-elected. Participation at meetings of the Board of Statutory Auditors may take place - should the Chairman or his

communication that allows all participants to take part in the discussion and have equal access to information.	replacement deem it necessary - by means of electronic communication that allows all participants to take part in the discussion and have equal access to information.
---	--

- 2) to vest the Board of Directors and thus, the Chairman and Deputy Chairman and the Managing Director, separately between them, with every power to fulfil all the formalities necessary to register the adopted resolutions in the Trade Register, accepting and inserting therein any amendments, additions or deletions, formal and non-substantial, that may be requested by the relevant Authorities."

\*\*\*

The full text of the Articles of Association is set out below, with the current text compared to the proposed text, showing, where applicable, that have been deleted or added.

**PIRELLI & C. REAL ESTATE S.p.A. -**

**ARTICLES OF ASSOCIATION -**

<i><b>CURRENT TEXT</b></i>	<i><b>PROPOSED TEXT</b></i>
<b><u>COMPANY NAME - REGISTERED OFFICE - DURATION - OBJECTS</u></b>	<b><u>COMPANY NAME - REGISTERED OFFICE - DURATION - OBJECTS</u></b>
<b><u>Article 1</u></b> The name of the company is "Pirelli & C. Real Estate S.p.A."	<b><u>Article 1</u></b> The name of the company is "Pirelli & C. Real Estate S.p.A."
<b><u>Article 2</u></b> The company's registered office is in Milan. It may set up or close down subsidiary companies, agencies, branches and representative offices, both in Italy and abroad.	<b><u>Article 2</u></b> The company's registered office is in Milan. It may set up or close down subsidiary companies, agencies, branches and representative offices, both in Italy and abroad.
<b><u>Article 3</u></b> The duration of the company shall be until December 31 (thirty-first), 2100 (two thousand one hundred). Extension of this term does not attribute the right of withdrawal to those shareholders who did not take part in the relevant resolution.	<b><u>Article 3</u></b> The duration of the company shall be until 31 (thirty-first) of December 2100 (two thousand one hundred). Extension of this term does not attribute the right of withdrawal to those shareholders who did not take part in the relevant resolution.
<b><u>Article 4</u></b> The objects of the company are: - to promote and participate in operations and investments in the real estate sector; - to coordinate and manage operations and	<b><u>Article 4</u></b> The objects of the company are: - to promote and participate in operations and investments in the real estate sector; - to coordinate and manage operations and

investments in the real estate sector;

- to acquire equity interests in other companies or enterprises in Italy and abroad;
- the financing, technical and financial coordination of the companies or enterprises in which it has an interest.

More specifically, the following form part of the objects of the company: the purchase, sale, exchange and lease of real estate of all kinds and in all areas; the design, construction, demolition and maintenance of buildings and building structures in general; the design and implementation of refurbishment and development works; the execution of contracts for the above-mentioned activities, the provision of services in the real estate sector.

The company may also carry out any commercial or industrial operations regarding moveable and immovable property that may be necessary or useful in order to attain the objects of the company (including the issue of personal or collateral securities even in the interest of third parties and the acquisition of loans and financing, including mortgages) with the absolute exclusion of financial activity in relation to the public and of any other activity restricted by current regulations.

#### SHARE CAPITAL AND SHARES

##### Article 5

The subscribed and paid up share capital amounts to 21,298,616.00 (twenty one million, two hundred and ninety-eight thousand, six hundred and sixteen) euro, comprising 42,597,232 (forty-two million, five hundred and ninety-seven thousand, two hundred and thirty-two) shares with a nominal value of 0.5 (zero point five) euro each. When deliberating a capital increase with consideration, the right of option may be excluded to the maximum extent of ten per cent of the pre-existing capital, provided that the issue price corresponds to the market value of the shares and that this is confirmed in a specific report drawn up by the company appointed to audit the company's accounts.

Following a resolution adopted at the Extraordinary Meeting of May 10, 2004, the Directors were granted the authority to increase the share capital with consideration, on one or more occasions, by May 9, 2009, to a total maximum amount of nominal 15 million Euros, with or without a premium, through the issue of a maximum of 30,000,000 (thirty million) ordinary shares, to be offered as an option to shareholders and to holders of convertible bonds, with the possibility of an exclusion of the right of option within the meaning of the joint provisions of art. 2441, last paragraph, of the [Italian] Civil Code investments in the real estate sector;

- to acquire equity interests in other companies or enterprises in Italy and abroad;

- the financing, technical and financial coordination of the companies or enterprises in which it has an interest.

More specifically, the following form part of the objects of the company: the purchase, sale, exchange and lease of real estate of all kinds and in all areas; the design, construction, demolition and maintenance of buildings and building structures in general; the design and implementation of refurbishment and development works; the execution of contracts for the above-mentioned activities, the provision of services in the real estate sector.

The company may also carry out any commercial or industrial operations regarding moveable and immovable property that may be necessary or useful in order to attain the objects of the company (including the issue of personal or collateral securities even in the interest of third parties and the acquisition of loans and financing, including mortgages) with the absolute exclusion of financial activity in relation to the public and of any other activity restricted by current regulations.

#### SHARE CAPITAL AND SHARES

##### Article 5

The subscribed and paid up share capital amounts to 21,298,616.00 (twenty one million, two hundred and ninety-eight thousand, six hundred and sixteen) euro, comprising 42,597,232 (forty-two million, five hundred and ninety-seven thousand, two hundred and thirty-two) shares with a nominal value of 0.5 (zero point five) euro each. When deliberating a capital increase with consideration, the right of option may be excluded to the maximum extent of ten per cent of the pre-existing capital, provided that the issue price corresponds to the market value of the shares and that this is confirmed in a specific report drawn up by the company appointed to audit the company's accounts.

Following a resolution adopted at the Extraordinary Meeting of May 10, 2004, the Directors were granted the authority to increase the share capital with consideration, on one or more occasions, by May 9, 2009, to a total maximum amount of nominal 15 million Euros, with or without a premium, through the issue of a maximum of 30,000,000 (thirty million) ordinary shares, to be offered as an option to shareholders and to holders of convertible bonds, with the possibility of an exclusion of the right of option within the meaning of the joint provisions of art. 2441, last paragraph, of the [Italian] Civil Code

and art. 134, second paragraph, of Legal Decree no. 58/1998, where the shares are offered for subscription to employees of Pirelli & C. Real Estate S.p.A. or of companies controlled by the same.

Following a resolution adopted at the Extraordinary Meeting of May 10, 2004, the Directors were granted the option to issue, on one or more occasions, by May 9, 2009, bonds that can be converted into ordinary shares, or with warrants valid for the subscription of said shares to be offered as an option to shareholders and to holders of convertible bonds, for a maximum amount of nominal 15 million Euros within the limits as allowed from time to time by current legislation, with the consequent possible increase in share capital for the conversion of the bonds and/or the exercise of the warrants.

Resolutions to increase the capital carried by the Board of Directors in the exercise of the above-mentioned authority establish the subscription price (inclusive of any premium) and the term for the subscription of the shares; they may also provide for the event in which the deliberated increase is not fully subscribed within the term established from time to time for this purpose, whereby the capital is increased by an amount equal to the subscriptions made up until this term.

#### Article 6

The shares are ordinary and nominative. The company may also increase the share capital by issue for non-cash consideration and may issue categories of shares provided with special rights, within the limits allowed by current legislation at the time. An introduction or removal of constraints to the circulation of stock certificates shall not give the right of withdrawal to those shareholders who did not approve the related resolution.

#### SHAREHOLDERS' MEETING

#### Article 7

The convening of the meeting, which can take place in Italy, at or outside the registered office, and the right of attendance and representation at the meeting are governed by law and by the Articles of Association.

For the Extraordinary Meeting, the notice of the meeting may provide for a third call.

The shareholders for whom the Company has received the notice specified by subsection two of Article 2370 of the [Italian] Civil Code, at least two days prior to the date of the individual meeting, are entitled to attend the meeting.

and art. 134, second paragraph, of Legal Decree no. 58/1998, where the shares are offered for subscription to employees of Pirelli & C. Real Estate S.p.A. or of companies controlled by the same.

Following a resolution adopted at the Extraordinary Meeting of May 10, 2004, the Directors were granted the option to issue, on one or more occasions, by May 9, 2009, bonds that can be converted into ordinary shares, or with warrants valid for the subscription of said shares to be offered as an option to shareholders and to holders of convertible bonds, for a maximum amount of nominal 15 million Euros within the limits as allowed from time to time by current legislation, with the consequent possible increase in share capital for the conversion of the bonds and/or the exercise of the warrants.

Resolutions to increase the capital carried by the Board of Directors in the exercise of the above-mentioned authority establish the subscription price (inclusive of any premium) and the term for the subscription of the shares; they may also provide for the event in which the deliberated increase is not fully subscribed within the term established from time to time for this purpose, whereby the capital is increased by an amount equal to the subscriptions made up until this term.

#### Article 6

The shares are ordinary and nominative. The company may also increase the share capital by issue for non-cash consideration and may issue categories of shares provided with special rights, within the limits allowed by current legislation at the time. An introduction or removal of constraints to the circulation of stock certificates shall not give the right of withdrawal to those shareholders who did not approve the related resolution.

#### SHAREHOLDERS' MEETING

#### Article 7

The convening of the meeting, which can take place in Italy, at or outside the registered office, and the right of attendance and representation at the meeting are governed by law and by the Articles of Association.

For the Extraordinary Meeting, the notice of the meeting may provide for a third call.

The shareholders for whom the Company has received the notice specified by subsection two of Article 2370 of the [Italian] Civil Code, at least two days prior to the date of the individual meeting, are entitled to attend the meeting.

The Ordinary Meeting must be convened within 120 days ~~or, when specific circumstances so require, within 180 days~~ of the close of the financial year. ~~If convened within 180 days, the directors shall give reasons for the delay in the Annual Report accompanying the Financial Statements.~~ Requests to include items on the Agenda for the meeting, made by shareholders according to law, must be set out in a report prepared by these shareholders to be filed at the registered office in good time in order to be made available to members at least 10 days before the date scheduled for the meeting at first call.

#### **Article 8**

Each shareholder has the right to one vote at the meeting for each share held.

#### **Article 9**

The proper constitution of shareholders' meetings and the validity of resolutions thereof shall be regulated by law.

In addition to the law and the Articles of Association, the conduct of meetings shall be governed by the Regulations governing Shareholders' Meetings, approved by a resolution of the Ordinary Meeting of the company.

#### **Article 10**

The shareholders' meeting shall be chaired by, in the following order, the Chairman of the Board, the Vice Chairman and Managing Director, if appointed, or by a Vice Chairman or a Managing Director; should there be two or more Vice Chairmen or Managing Directors, the chair shall be taken by the eldest of these.

In the absence of the above-mentioned individuals, the chair shall be taken by another person designated by the meeting with the vote of the majority of the capital represented at the meeting.

The Chairman of the meeting shall be assisted by a Secretary appointed by the meeting with the vote of the majority of the capital represented at the meeting, who may also be chosen from outside the body of shareholders; the assistance of the Secretary is not necessary when a notary is designated to draft the minutes of the meeting.

The Chairman of the meeting shall preside over the meeting and conduct the proceedings thereof pursuant to the law and these Articles of Association. To this end, the Chairman's duties shall include ensuring that the meeting is properly constituted; ascertaining the identity of the members present and their right to participate, including by proxy; ascertaining the quorum for resolutions; regulating the proceedings, also by establishing a different order of discussion of the subjects indicated in the notice of meeting. The

The Ordinary Meeting must be convened within 120 days of the close of the company's financial year.

Requests to include items on the Agenda for the meeting, made by shareholders according to law, must be set out in a report **prepared by these shareholders** to be filed at the registered office in good time in order to be made available to members at least 10 days before the date scheduled for the meeting at first call.

#### **Article 8**

Each shareholder has the right to one vote at the meeting for each share held.

#### **Article 9**

The proper constitution of shareholders' meetings and the validity of resolutions thereof shall be regulated by law.

In addition to the law and the Articles of Association, the conduct of meetings shall be governed by the Regulations governing Shareholders' Meetings, approved by a resolution of the Ordinary Meeting of the company.

#### **Article 10**

The shareholders' meeting shall be chaired by, in the following order, the Chairman of the Board, the Vice Chairman and Managing Director, if appointed, or by a Vice Chairman or a Managing Director; should there be two or more Vice Chairmen or Managing Directors, the chair shall be taken by the eldest of these.

In the absence of the above-mentioned individuals, the chair shall be taken by another person designated by the meeting with the vote of the majority of the capital represented at the meeting.

The Chairman of the meeting shall be assisted by a Secretary appointed by the meeting with the vote of the majority of the capital represented at the meeting, who may also be chosen from outside the body of shareholders; the assistance of the Secretary is not necessary when a notary is designated to draw up the minutes of the meeting.

The Chairman of the meeting shall preside over the meeting and conduct the proceedings thereof pursuant to the law and these Articles of Association. To this end, the Chairman's duties shall include ensuring that the meeting is properly constituted; ascertaining the identity of the members present and their right to participate, including by proxy; ascertaining the quorum for resolutions; regulating the proceedings, also by establishing a different order of discussion of the subjects indicated in the notice of meeting. The

Chairman must also adopt any measures deemed opportune for the smooth running of the discussion and of the voting, defining the procedures and ascertaining the results thereof.

#### **Article 11**

The resolutions of the shareholders' meeting shall be set out in the minutes signed by the Chairman of the meeting and by the Secretary of the meeting or the notary.

The minutes of the Extraordinary Meeting must be drawn up by a notary designated by the Chairman of the meeting.

Any copies and extracts that are not drawn up in notarial form shall be certified as true copies by the Chairman of the Board of Directors.

#### **ADMINISTRATION**

#### **Article 12**

The company shall be managed by a Board of Directors comprising between 5 and 19 members who shall remain in office for three financial years (save where a shorter term is agreed by the members of the meeting at the time of the appointment) and may be re-elected.

The meeting shall determine the number of members on the Board of Directors, which shall remain firm until otherwise agreed.

The Board of Directors shall be appointed on the basis of lists submitted by the shareholders, in accordance with the provisions of the following sections, in which candidates are listed sequentially.

The lists submitted by shareholders, and signed by those submitting them, must be deposited at the company's registered office, so that they can be made available to anyone requesting to see them, at least fifteen days before the date scheduled for the Meeting at first call.

Each shareholder may submit, or participate in submitting, one list only and each candidate can be included in one list only, on pain of disqualification.

The right to submit lists is conferred solely upon shareholders who, on their own or together with other shareholders, overall hold shares representing at least 2 percent of the share capital with the right to vote at ordinary meetings, or less as required by the regulations issued by the Commissione nazionale per le Società e la Borsa [National Commission for Listed Companies and the Stock Exchange], with the obligation to provide evidence of the ownership of the number of shares necessary to submit the lists by the deadline of ~~two days prior to the meeting at first call.~~

Chairman must also adopt any measures deemed opportune for the smooth running of the discussion and of the voting, defining the procedures and ascertaining the results thereof.

#### **Article 11**

The resolutions of the shareholders' meeting shall be set out in the minutes signed by the Chairman of the meeting and by the Secretary of the meeting or the notary.

The minutes of the Extraordinary Meeting must be drawn up by a notary designated by the Chairman of the meeting.

Any copies and extracts that are not drawn up in notarial form shall be certified as true copies by the Chairman of the Board of Directors.

#### **ADMINISTRATION**

#### **Article 12**

The company shall be managed by a Board of Directors comprising between 5 and 19 members who shall remain in office for three financial years (save where a shorter term is agreed by the members of the meeting at the time of the appointment) and may be re-elected.

The meeting shall determine the number of members on the Board of Directors, which shall remain firm until otherwise agreed.

The Board of Directors shall be appointed on the basis of lists submitted by the shareholders, in accordance with the provisions of the following sections, in which candidates are listed sequentially.

The lists submitted by shareholders, and signed by those submitting them, must be deposited at the company's registered office, so that they can be made available to anyone requesting to see them, at least fifteen days before the date scheduled for the Meeting at first call.

Each shareholder may submit, or participate in submitting, one list only and each candidate can be included in one list only, on pain of disqualification.

The right to submit lists is conferred solely upon shareholders who, on their own or together with other shareholders, overall hold shares representing at least 2 percent of the share capital with the right to vote at ordinary meetings, or less as required by the regulations issued by the Commissione nazionale per le Società e la Borsa [National Commission for Listed Companies and the Stock Exchange], with the obligation to provide evidence of the ownership of the number of shares necessary to submit the lists by the deadline **for the submission thereof.**

Each list must be submitted together with the acceptances of the candidacy of individual candidates and declarations whereby the latter state, under their own responsibility, that there is no reason why they cannot be elected nor any conflict, and that they fulfil the conditions stipulated for the offices in question. A Curriculum Vitae will be submitted for each candidate to accompany the declarations, setting out their personal and professional details, and the management and audit positions they have held with other companies, and their eligible status as independent directors, in accordance with legal and/or regulatory requirements and the requirements of the Company itself. Any changes that might take place up until the date of the actual meeting shall be notified to the Company in good time.

Each individual with the right to vote can vote on one list only. For appointment to the Board of Directors, the following procedure shall be observed:

- a) four-fifths of the directors to be elected shall be taken from the list receiving the majority of the votes cast by the shareholders in the order in which they appear on this list, rounding down fraction numbers, if any, to the next nearest unit;
- b) the rest of the directors shall be taken from the other lists; to this end, the votes received by the lists shall be divided subsequently by progressive integers, from one to the number of directors to be elected.

The quotients thus obtained shall be allocated progressively to the candidates on each of these lists, according to the order in which they appear.

The quotients allocated in this way to the candidates on the various lists shall be arranged in a single descending order of rank. Those who have received the highest quotients shall be elected.

Should several candidates receive the same quotient, the candidate on the list that has not yet elected a director or that has elected the fewest directors shall be elected.

Should none of these lists have elected a director or they have elected the same number of directors, the candidate on the list that has received the highest number of votes shall be elected. In the event of a tie between the lists and the same quotient, the whole meeting shall again vote, and the candidate with a simple majority of votes shall

Each list must be submitted together with the acceptances of the candidacy of individual candidates and declarations whereby the latter state, under their own responsibility, that there is no reason why they cannot be elected nor any conflict, and that they fulfil the conditions stipulated for the offices in question. A Curriculum Vitae will be submitted for each candidate to accompany the declarations, setting out their personal and professional details, and the management and audit positions they have held with other companies, and their eligible status as independent directors, in accordance with legal and/or regulatory requirements and the requirements of the Company itself. Any changes that might take place up until the date of the actual meeting shall be notified to the Company in good time.

Each individual with the right to vote can vote on one list only. For appointment to the Board of Directors, the following procedure shall be observed:

- a) four-fifths of the directors to be elected shall be taken from the list receiving the majority of the votes cast by the shareholders in the order in which they appear on this list, rounding down fraction numbers, if any, to the next nearest unit;
- b) the rest of the directors shall be taken from the other lists; to this end, the votes received by the lists shall be divided subsequently by progressive integers, from one to the number of directors still to be elected.

The quotients thus obtained shall be allocated progressively to the candidates on each of these lists, according to the order in which they appear.

The quotients allocated in this way to the candidates on the various lists shall be arranged in a single descending order of rank. Those who have received the highest quotients shall be elected.

Should several candidates receive the same quotient, the candidate on the list that has not yet elected a director or that has elected the fewest directors shall be elected.

Should none of these lists have elected a director or they have elected the same number of directors, the candidate on the list that has received the highest number of votes shall be elected. In the event of a tie between the lists and the same quotient, the whole meeting shall again vote, and the candidate with a simple majority of votes shall be elected.

be elected.

If any directors are not appointed according to the procedure specified above, the meeting shall deliberate by the majorities required by law.

If, during the course of the year, one or more directorships should become vacant, the provisions of Article 2386 of the [Italian] Civil Code shall apply.

Should more than half of the directors resign or vacate office for any other reason, the entire Board of Directors shall be considered deprived of its rights with effect from the time of its reorganisation. Unless otherwise agreed by the Meeting, the directors shall not be bound by the prohibition set out in Article 2390 of the Civil Code.

#### **Article 13**

The Board of Directors shall appoint a Chairman, should the meeting not already have done so, and, if necessary, one or more Vice-Chairmen.

If the Chairman is absent, the chair shall be taken by, in the following order, the Vice Chairman and Managing Director, if appointed, a Vice Chairman or a Managing Director; should there be two or more Vice Chairmen or Managing Directors, the chair shall be taken by the eldest of these.

The Board of Directors shall appoint a Secretary who may also be chosen from outside its members.

#### **Article 14**

The Board of Directors shall meet when called by the Chairman or by whoever is replacing him

**If the list voting system does not produce the minimum number of independent directors required by legal and/or regulatory provisions, the non-independent candidate elected with the highest progressive number in the list which had the highest number of votes shall be replaced by the independent candidate not elected on this same list according to the progressive order of appearance and so forth, list by list, until the minimum number of independent directors is reached.**

If any directors are not appointed according to the procedure specified above, the meeting shall deliberate by the majorities required by law.

If, during the course of the year, one or more directorships should become vacant, the provisions of Article 2386 of the [Italian] Civil Code shall apply.

**The loss of a director's independent status shall not constitute grounds for forfeiture of office if the minimum number of members required by legal and/or regulatory provisions and meeting the legal conditions for independence remains in office.**

Should more than half of the directors resign or vacate office for any other reason, the entire Board of Directors shall be considered deprived of its rights with effect from the time of its reorganisation. Unless otherwise agreed by the Meeting, the directors shall not be bound by the prohibition set out in Article 2390 of the Civil Code.

#### **Article 13**

The Board of Directors shall appoint a Chairman, should the meeting not already have done so, and, if necessary, one or more Vice-Chairmen.

If the Chairman is absent, the chair shall be taken by, in the following order, the Vice Chairman and Managing Director, if appointed, a Vice Chairman or a Managing Director; should there be two or more Vice Chairmen or Managing Directors, the chair shall be taken by the eldest of these.

The Board of Directors shall appoint a Secretary who may also be chosen from outside its members.

#### **Article 14**

The Board of Directors shall meet when called by the Chairman or by whoever is replacing him

at the company's registered office or in any other place that shall be established in the letter of invitation, whenever he deems it appropriate in the company's interest, or when a request has been made in writing by one of the Managing Directors or by one-fifth of the board members in office.

The Board of Directors may also be convened by the Board of Statutory Auditors, or by any statutory auditor, by means of a notice to the Chairman of the Board.

The Chairman shall notify members in advance of the topics to be covered during the board meeting and shall ensure that adequate information on the issues to be discussed is provided to all the board members, taking into account the circumstances of each case.

Notices of meetings are sent by registered letter, telegram, fax or e-mail sent at least five days before the day on which the meeting is to be held (or, in cases of urgency, at least six hours before) to each director and statutory auditor.

The Board of Directors may, however, deliberate validly even if no formal notice has been given, when all its members and all the statutory auditors in office are present. Should the Chairman or his replacement deem it necessary, participation at board meetings - and at meetings of the Executive Committee, where one is appointed - may take place by means of electronic communication that allows all participants to take part in the discussion and have equal access to information.

The meeting of the Board of Directors - or of the Executive Committee, where one is appointed - is considered to be held at the place where the Chairman and the Secretary are both present.

#### **Article 15**

Meetings of the Board of Directors may also be held in a place other than the registered office, provided it is in Italy or in a country of the European Union.

#### **Article 16**

Meetings of the Board of Directors are regularly constituted when the majority of the directors in office are in attendance and when resolutions are carried by the majority of votes expressed.

In the case of an equality of votes, the Chairman of the meeting shall have the casting vote.

#### **Article 17**

Resolutions of the Board of Directors, even if taken in meetings

at the company's registered office or in any other place that shall be established in the letter of invitation, whenever he deems it appropriate in the company's interest, or when a request has been made in writing by one of the Managing Directors or by one-fifth of the board members in office.

The Board of Directors may also be convened by the Board of Statutory Auditors, or by any statutory auditor, by means of a notice to the Chairman of the Board.

The Chairman shall notify members in advance of the topics to be covered during the board meeting and shall ensure that adequate information on the issues to be discussed is provided to all the board members, taking into account the circumstances of each case.

Notices of meetings are sent by registered letter, telegram, fax or e-mail sent at least five days before the day on which the meeting is to be held (or, in cases of urgency, at least six hours before) to each director and statutory auditor.

The Board of Directors may, however, deliberate validly even if no formal notice has been given, when all its members and all the statutory auditors in office are present. Should the Chairman or his replacement deem it necessary, participation at board meetings - and at meetings of the Executive Committee, where one is appointed - may take place by means of electronic communication that allows all participants to take part in the discussion and have equal access to information.

The meeting of the Board of Directors - or of the Executive Committee, where one is appointed - is considered to be held at the place where the Chairman and the Secretary are both present.

#### **Article 15**

Meetings of the Board of Directors may also be held in a place other than the registered office, provided it is in Italy or in a country of the European Union.

#### **Article 16**

Meetings of the Board of Directors are regularly constituted when the majority of the directors in office are in attendance and when resolutions are carried by the majority of votes expressed.

In the case of an equality of votes, the Chairman of the meeting shall have the casting vote.

#### **Article 17**

Resolutions of the Board of Directors, even if taken in meetings

held by means of electronic communication, shall be recorded in the minute book and signed by the Chairman of the meeting and the Secretary.

Any copies and extracts that are not drawn up in notarial form shall be certified as true copies by the Chairman of the Board of Directors.

**Article 18**

The Board of Directors is vested with the widest powers for the ordinary and extraordinary management of the company, with the right to carry out, without limitation whatsoever, all the activities considered appropriate in order to implement and achieve the company object, excluding only those which the law and the Articles of Association reserve specifically to the competence of the meeting.

Within the limits of the law, the Board of Directors is vested with the power to decide upon ~~incorporation with Pirelli & C. Real Estate S.p.A. or demergers in favour of Pirelli & C. Real Estate S.p.A., of the companies in which Pirelli & C. Real Estate S.p.A. has at least 90 percent of the [illegible] stock or shares,~~ the reduction of the share capital where shareholders exercise their right of withdrawal, the adaptation of the Articles of Association to regulatory provisions, the transfer of the registered office within national territory, and the setting up or closing down of secondary offices.

The Board of Directors and the Board of Statutory Auditors shall be informed, including through their representatives, of the activity carried out, the general management trends, the foreseeable trends and all significant economic, financial and asset activities carried out by the company or subsidiaries. In particular, representatives shall report on the activities in which they have an interest, on their own behalf or that of third parties, or which may be influenced by the subject that carries out the management and coordination activity, if applicable.

These reports shall be made in good time, and in any case, at least every three months, at meetings or in written form.

**Article 19**

For the management of the social enterprise the Board of Directors is authorised to delegate the powers it deems appropriate to one or more of its members, possibly also conferring on them the title of Managing Directors, granting them signing authority, individually or collectively, as it deems fit.

It may also delegate its own duties to an Executive Committee made up of some of its members, whose remuneration shall be established by the

held by means of electronic communication, shall be recorded in the minute book and signed by the Chairman of the meeting and the Secretary.

Any copies and extracts that are not drawn up in notarial form shall be certified as true copies by the Chairman of the Board of Directors.

**Article 18**

The Board of Directors is vested with the widest powers for the ordinary and extraordinary management of the company, with the right to carry out, without limitation whatsoever, all the activities considered appropriate in order to implement and achieve the company object, excluding only those which the law and the Articles of Association reserve specifically to the competence of the meeting.

Within the limits of the law, the Board of Directors is vested with the power to decide upon **mergers** or demergers, the reduction of the share capital where shareholders exercise their right of withdrawal, the adaptation of the Articles of Association to regulatory provisions, the transfer of the registered office within national territory, and the setting up or closing down of secondary offices.

The Board of Directors and the Board of Statutory Auditors shall be informed, including through their representatives, of the activity carried out, the general management trends, the foreseeable trends and all significant economic, financial and asset activities carried out by the company or subsidiaries. In particular, representatives shall report on the activities in which they have an interest, on their own behalf or that of third parties, or which may be influenced by the subject that carries out the management and coordination activity, if applicable.

These reports shall be made in good time, and in any case, at least every three months, at meetings or in written form.

**Article 19**

For the management of the social enterprise the Board of Directors is authorised to delegate the powers it deems appropriate to one or more of its members, possibly also conferring on them the title of Managing Directors, granting them signing authority, individually or collectively, as it deems fit.

It may also delegate its own duties to an Executive Committee made up of some of its members, whose remuneration shall be established by the

shareholders' meeting.

It may also appoint one or more Committees with advisory and consultative functions, also for the purpose of adapting the corporate governance structure to the recommendations that may from time to time be issued by the competent authorities.

The Board of Directors shall appoint the officer responsible for preparing the financial reports, after obtaining the assent of the Board of Statutory Auditors. Unless withdrawn for valid reasons, once the opinion of the Board of Statutory Auditors has been heard, the office of the officer responsible for preparing the financial reports shall expire together with the Board of Directors that appointed him. The officer responsible for preparing the financial reports must be an expert in administration, finance and control and possess the requisites of honourability laid down for directors. Any loss of said requisites shall lead to the revocation of the office, which must be declared by the Board of Directors within thirty days from learning of such loss. Lastly, the Board of Directors can also appoint Director Generals; Vice-Director Generals, Directors, Vice-Directors and proxies for individual deeds, or categories of deeds, determining the powers and duties thereof. The appointment of Directors, Vice-Directors and proxies for individual deeds, or categories of deeds, can also be referred by the Board of Directors to the Managing Directors and Director Generals.

#### **Article 20**

The following are authorised to represent the company separately in dealings with third parties and in legal proceedings: the Chairman of the Board and, where appointed, the Vice Chairmen and Managing Directors, within the limits of the powers granted to them by the Board of Directors. Each of these shall in any case have wide powers to initiate legal proceedings and appeals in any court of law, including cases of revision and appeal, to lodge exhibits and complaints in criminal proceedings, to bring civil action on behalf of the company in criminal cases, to initiate legal proceedings and appeals before all administrative jurisdictions, to intervene in and oppose actions and appeals concerning the company, granting for such a purpose the necessary mandates and proxies for appearing in court. The Board of Directors and, within the limits of the powers granted to them by the Board of Directors, the Chairman and, where appointed, the Vice Chairmen and Managing Directors, are authorised to grant representation of the Company in dealings with third parties and in legal proceedings to Directors and to employees in

shareholders' meeting. It may also appoint one or more Committees with advisory and consultative functions, also for the purpose of adapting the corporate governance structure to the recommendations that may from time to time be issued by the competent authorities.

The Board of Directors shall appoint the officer responsible for preparing the financial reports, after obtaining the assent of the Board of Statutory Auditors. Unless withdrawn for valid reasons, once the opinion of the Board of Statutory Auditors has been heard, the office of the officer responsible for preparing the financial reports shall expire together with the Board of Directors that appointed him. The officer responsible for preparing the financial reports must be an expert in administration, finance and control and possess the requisites of honourability laid down for directors. Any loss of said requisites shall lead to the revocation of the office, which must be declared by the Board of Directors within thirty days from learning of such loss. Lastly, the Board of Directors can also appoint Director Generals; Vice-Director Generals, Directors, Vice-Directors and proxies for individual deeds, or categories of deeds, determining the powers and duties thereof. The appointment of Directors, Vice-Directors and proxies for individual deeds, or categories of deeds, can also be referred by the Board of Directors to the Managing Directors and Director Generals.

#### **Article 20**

The following are authorised to represent the company separately in dealings with third parties and in legal proceedings: the Chairman of the Board and, where appointed, the Vice Chairmen and Managing Directors, within the limits of the powers granted to them by the Board of Directors.

Each of these shall in any case have wide powers to initiate legal proceedings and appeals in any court of law, including cases of revision and appeal, to lodge exhibits and complaints in criminal proceedings, to bring civil action on behalf of the company in criminal cases, to initiate legal proceedings and appeals before all administrative jurisdictions, to intervene in and oppose actions and appeals concerning the company, granting for such a purpose the necessary mandates and proxies for appearing in court. The Board of Directors and, within the limits of the powers granted to them by the Board of Directors, the Chairman and, where appointed, the Vice Chairmen and Managing Directors, are authorised to grant representation of the Company in dealings with third parties and in legal proceedings to Directors and to employees in.

general and also to third parties where applicable

#### **Article 21**

In addition to reimbursement of expenses incurred in the performance of their duties, the members of the Board of Directors shall receive an annual recompense fixed by the shareholders' meeting.

The remuneration of directors invested with special offices is fixed by the Board of Directors, after hearing the opinion of the Board of Statutory Auditors.

#### **BOARD OF STATUTORY AUDITORS**

#### **Article 22**

The Board of Statutory Auditors is made up of three statutory auditors and two alternate auditors who meet the requirements of current legal and regulatory provisions. To this end, it shall be considered that the matters and sectors of activity closely connected to those of the company are specified in the objects of the company, with particular regard to companies or entities active in the financial, industrial, banking, insurance and property fields and the service sector in general.

The Ordinary Meeting elects the Board of Statutory Auditors and determines their fees. The election of one statutory auditor and one alternate auditor is reserved for the minority.

Unless otherwise specified in the third-to-last paragraph of this article, the Board of Statutory Auditors is appointed - in accordance with legal and/or regulatory provisions - on the basis of lists presented by the shareholders in which the candidates are listed sequentially.

Each list shall contain a number of candidates that does not exceed the number of members to be elected.

Shareholders with the right to present lists are those who, on their own or together with other shareholders, represent at least 2 percent of the shares with the right to vote at ordinary meetings, or less as required by the regulations issued by the National Commission for Listed Companies and the Stock Exchange on the submission of lists of candidates for the appointment of the Board of Directors, with the obligation to provide evidence of the ownership of the number of shares required to submit the lists within ~~the term of two days prior to the meeting at first call.~~

Each shareholder may submit or participate in the submission of one list only.

The lists of candidates, signed by those presenting them, must be submitted to the company's registered office, available to anyone requesting to see them, at least fifteen days prior to the date

general and also to third parties where applicable.

#### **Article 21**

In addition to reimbursement of expenses incurred in the performance of their duties, the members of the Board of Directors shall receive an annual recompense fixed by the shareholders' meeting.

The remuneration of directors invested with special offices is fixed by the Board of Directors, after hearing the opinion of the Board of Statutory Auditors.

#### **BOARD OF STATUTORY AUDITORS**

#### **Article 22**

The Board of Statutory Auditors is made up of three statutory auditors and two alternate auditors who meet the requirements of current legal and regulatory provisions. To this end, it shall be considered that the matters and sectors of activity closely connected to those of the company are specified in the objects of the company, with particular regard to companies or entities active in the financial, industrial, banking, insurance and property fields and the service sector in general.

The Ordinary Meeting elects the Board of Statutory Auditors and determines their fees. The election of one statutory auditor and one alternate auditor is reserved for the minority.

Unless otherwise specified in the third-to-last paragraph of this article, the Board of Statutory Auditors is appointed - in accordance with legal and/or regulatory provisions - on the basis of lists presented by the shareholders in which the candidates are listed sequentially.

Each list shall contain a number of candidates that does not exceed the number of members to be elected.

Shareholders with the right to present lists are those who, on their own or together with other shareholders, represent at least 2 percent of the shares with the right to vote at ordinary meetings, or less as required by the regulations issued by the National Commission for Listed Companies and the Stock Exchange on the submission of lists of candidates for the appointment of the Board of Directors, with the obligation to provide evidence of the ownership of the number of shares required to submit the lists **of candidates for the post of auditor within the terms laid down by legal and/or regulatory legislation.**

Each shareholder may submit or participate in the submission of one list only.

The lists of candidates, signed by those presenting

scheduled for the meeting at first call. The lists must be accompanied by a description of the Curriculum Vitae concerning the personal and professional details of the candidates designated, and setting out the management and audit posts they have held at other companies, and ~~without prejudice to any other documentation required by legislation, including regulatory, that may be applicable~~ declarations whereby individual candidates accept their candidatures, and under their own responsibility, state that there is no reason why they cannot be elected nor any conflict, and that they fulfil the conditions required by the relevant regulatory and other provisions and by the Articles of Association for the office. Any changes that might take place up until the date of the actual meeting shall be notified to the Company in good time.

Any lists submitted which fail to comply with the above conditions shall be considered not to have been submitted. Each candidate can be inserted on one list only upon pain of disqualification.

The lists shall be divided into two sections: one for the post of statutory auditor and the other for the post of alternate auditor. The first candidate in each section must be included among those entered on the Register of Chartered Accountants who have carried out the statutory auditing of accounts for a period of at least three years.

Each individual with the right to vote can vote on one list only.

The members of the Board of Statutory Auditors shall be elected in the following manner:

- a) two statutory members and one alternate member shall be taken from the list which received the highest number of votes (majority list), in the sequential order in which they appear on the list;
- b) the other statutory member and the other alternate member shall be taken from the list which received at the meeting the highest number of votes after the first (minority list) in the sequential order in which they appear on the list. If several lists receive the same number of votes, a second ballot shall be held from among these lists by all the members present at the meeting. The candidates on the list that receives a simple majority of the votes shall then be elected.

The chairman of the Board of Statutory Auditors shall be the statutory auditor that appears as the first candidate ~~in the list set out in letter b) of the previous subsection.~~

them, must be submitted to the company's registered office, available to anyone requesting to see them, at least fifteen days prior to the date scheduled for the meeting at first call, unless extended in the cases provided **by legal and/or regulatory provisions. Without prejudice, under all instances, to any other documentation required by legal and/or regulatory provisions,**

the lists must be accompanied by a description of the Curriculum Vitae concerning the personal and professional details of the candidates designated, and setting out the management and audit posts they have held at other companies, and declarations whereby individual candidates accept their candidatures, and under their own responsibility, state that there is no reason why they cannot be elected nor any conflict, and that they fulfil the conditions required by the relevant regulatory and other provisions and by the Articles of Association for the office. Any changes that might take place up until the date of the actual meeting shall be notified to the Company in good time.

Any lists submitted which fail to comply with the above conditions shall be considered not to have been submitted. Each candidate can be inserted on one list only upon pain of disqualification.

The lists shall be divided into two sections: one for the post of statutory auditor and the other for the post of alternate auditor. The first candidate in each section must be included among those entered on the Register of Chartered Accountants who have carried out the statutory auditing of accounts for a period of at least three years.

Each individual with the right to vote can vote on one list only.

The members of the Board of Statutory Auditors shall be elected in the following manner:

- a) two statutory members and one alternate member shall be taken from the list which received the highest number of votes (majority list), in the sequential order in which they appear on the list;
- b) the other statutory member and the other alternate member shall be taken from the list which received at the meeting the highest number of votes after the first (minority list) in the sequential order in which they appear on the list. If several lists receive the same number of votes, a second ballot shall be held from among these lists by all the members present at the meeting. The candidates on the list that receives a simple majority of the votes shall then be elected.

The chairman of the Board of Statutory Auditors shall be the statutory auditor that appears as the

In the event of the death, resignation or removal from office of a statutory auditor, the alternate auditor belonging to the same list shall take his place. However, if the Chairman of the Board of Statutory Auditors is replaced, the chair shall be assumed by the elected candidate on the list to which the lapsed chairman belonged, according to the order on the list. If replacement is not possible in accordance with the above conditions, a meeting shall be convened to complete the Board of Statutory Auditors which shall deliberate by relative majority.

When the meeting appoints, according to the above criteria or according to law, the statutory auditors and/or alternate auditors necessary to complete the Board of Statutory Auditors, the procedure shall be as follows:

If auditors elected from the majority list are to be replaced, the appointment shall take place by a majority of the votes without listing constraint. If, however, it is necessary to replace auditors elected from the minority list, the meeting shall replace them by a majority of the votes, selecting them, if possible, from among the candidates on the list to which the auditor to be replaced belonged.

If only one list is submitted, the Meeting shall vote thereupon. If the list receives the relative majority, the candidates indicated in the relevant section of the list shall be elected as statutory and alternate auditors. The person in first place on this list shall be the Chairman of the Board of Statutory Auditors. For the appointment of the auditors for any reason not appointed according to the procedure specified herein, the Meeting shall deliberate by the majorities required by law.

The outgoing auditors may be re-elected.

Participation at meetings of the Board of Statutory Auditors may take place - should the Chairman or his replacement deem it necessary - by means of electronic communication that allows all participants to take part in the discussion and have equal access to information.

first candidate in the **minority** list. In the event of the death, resignation or removal from office of a statutory auditor, the alternate auditor belonging to the same list shall take his place. However, if the Chairman of the Board of Statutory Auditors is replaced, the chair shall be assumed by the elected candidate on the list to which the lapsed chairman belonged, according to the order on the list. If replacement is not possible in accordance with the above conditions, a meeting shall be convened to complete the Board of Statutory Auditors which shall deliberate by relative majority.

When the meeting appoints, according to the above criteria or according to law, the statutory auditors and/or alternate auditors necessary to complete the Board of Statutory Auditors, the procedure shall be as follows:

If auditors elected from the majority list are to be replaced, the appointment shall take place by a majority of the votes without listing constraint. If, however, it is necessary to replace auditors elected from the minority list, the meeting shall replace them by a majority of the votes, selecting them, if possible, from among the candidates on the list to which the auditor to be replaced belonged, **and in any case with due respect for the principle of the necessary representation of minorities, whose right to participate in the appointment of the Board of Statutory Auditors is provided by these Articles of Association. The principle of necessary representation of minorities is considered to have been observed in the event of the appointment of auditors who were candidates on the minority list or other lists other than the list which, at the time of the appointment of the Board of Statutory Auditors, had obtained the highest number of votes.**

If only one list is submitted, the Meeting shall vote thereupon. If the list receives the relative majority, the candidates indicated in the relevant section of the list shall be elected as statutory and alternate auditors. The person in first place on this list shall be the Chairman of the Board of Statutory Auditors. For the appointment of the auditors for any reason not appointed according to the procedure specified herein, the Meeting shall deliberate by the majorities required by law.

The outgoing auditors may be re-elected.

Participation at meetings of the Board of Statutory Auditors may take place - should the Chairman or his replacement deem it necessary - by means of electronic communication that allows all participants to take part in the discussion and have equal access to information.

**ANNUAL ACCOUNTS -  
APPROPRIATION OF PROFITS**

**Article 23**

The financial year closes on December 31 of each year.

**Article 24**

After the provision of 5% (five per cent) for the legal reserve until this has reached one-fifth of the share capital, the net income for period shall, unless otherwise determined by the meeting on their use, be divided between the shareholders in proportion to the shares held.

Dividends that are not collected within five years from the day they fall due shall revert to the company.

The company, where allowed by the legal conditions, may distribute interim dividends.

**GENERAL PROVISIONS**

**Article 25**

The shareholders' domicile, for all matters concerning their relationship with the company, is understood, for all legal purposes, to be the one recorded in the book of shareholders.

**Article 26**

For any matter not provided for in these Articles of Association, reference shall be made to the legal provisions. \_\_\_\_\_

**ANNUAL ACCOUNTS -  
APPROPRIATION OF PROFITS**

**Article 23**

The financial year closes on December 31 of each year.

**Article 24**

After the provision of 5% (five per cent) for the legal reserve until this has reached one-fifth of the share capital, the net income for period shall, unless otherwise determined by the meeting on their use, be divided between the shareholders in proportion to the shares held.

Dividends that are not collected within five years from the day they fall due shall revert to the company.

The company, where allowed by the legal conditions, may distribute interim dividends.

**GENERAL PROVISIONS**

**Article 25**

The shareholders' domicile, for all matters concerning their relationship with the company, is understood, for all legal purposes, to be the one recorded in the book of shareholders.

**Article 26**

For any matter not provided for in these Articles of Association, reference shall be made to the legal provisions. \_\_\_\_\_

Signed: Marco Tronchetti Provera

Signed: Carlo Marchetti

## **ARTICLES OF ASSOCIATION**

### **COMPANY NAME - REGISTERED OFFICE – DURATION - OBJECTS**

#### **Article 1**

The name of the company is "Pirelli & G Real Estate S.p.A.".

#### **Article 2**

The company's registered office is in Milan. It may set up or close down subsidiary companies, agencies, branches and representative offices, both in Italy and abroad.

#### **Article 3**

The duration of the company shall be until 31 (thirty-first) of December 2100 (two thousand one hundred).

Extension of this term does not attribute the right of withdrawal to those shareholders who did not take part in the relevant resolution.

#### **Article 4**

The objects of the company are:

- to promote and participate in operations and investments in the real estate sector;
- to coordinate and manage operations and investments in the real estate sector;
- to acquire equity interests in other companies or enterprises in Italy and abroad;
- the financing, technical and financial coordination of the companies or enterprises in which it has an interest

More specifically, the following form part of the objects of the company: the purchase, sale, exchange and lease of real estate of all kinds and in all areas; the design, construction, demolition and maintenance of buildings and building structures in general; the design and implementation of refurbishment and development works; the execution of contracts for the above-mentioned activities, the provision of services in the real estate sector.

The company may also carry out any commercial or industrial operations, regarding moveable and immovable property, that may be necessary or useful in order to attain the objects of the company (including the issue of personal or collateral securities even in the interest of third parties and the acquisition of loans and financing, including mortgages) with the absolute exclusion of financial activity in relation to the public and of any other activity restricted by current regulations.

### **SHARE CAPITAL AND SHARES**

#### **Article 5**

The subscribed and paid up share capital amounts to 21,298,616.00 (twenty one million, two hundred and ninety-eight thousand, six hundred and sixteen) euro, divided into 42,597,232 (forty-two million, five hundred and ninety-seven thousand, two hundred and thirty-two) shares with a nominal value of 0.5 (zero point five) euro each.

When deliberating a capital increase with consideration, the right of option may be excluded to the maximum extent of ten per cent of the pre-existing capital, provided that the issue price corresponds to the market value of the shares and that this is confirmed in a specific report drawn up by the company appointed to audit the company's accounts.

Following a resolution adopted at the Extraordinary Meeting of May 10, 2004, the Directors were granted the authority to increase the share capital with consideration, on one or more occasions, by May 9, 2009, to a total maximum amount of nominal 15 million Euros, with or without a premium, through of the issue of a maximum of 30,000,000 (thirty million) ordinary shares, to be offered as an option to shareholders and to holders of convertible bonds, with the possibility of an exclusion of the right of option within the meaning of the joint provisions of art. 2441, last paragraph, of the [Italian] Civil Code and art. 134, second paragraph, of Legal Decree no 58/1998, where the shares are offered for subscription to employees of Pirelli & C. Real Estate S.p.A. or of companies controlled by the same.

Following a resolution adopted at the Extraordinary Meeting of May 10, 2004, the Directors were granted the option to issue, on one or more occasions, by May 9, 2009, bonds that can be converted into ordinary shares, or with warrants valid for the subscription of said shares to be offered as an option to shareholders and to holders of convertible bonds, for a maximum amount of nominal 15 million Euros within the limits as allowed from time to time by current legislation, with the consequent possible increase in share capital for the conversion of the bonds and/or the exercise of the warrants.

Resolutions to increase the capital carried by the Board of Directors in the exercise of the above-mentioned authority establish the subscription price (inclusive of any premium) and the term for the subscription of the shares; they may also provide for the event in which the deliberated increase is not fully subscribed within the term established from time to time for this purpose, whereby the capital is increased by an amount equal to the subscriptions made up until this term.

#### **Article 6**

The shares are ordinary and nominative.

The company may also increase the share capital by issue for non-cash consideration and may issue categories of shares provided with special rights, within the limits allowed by current legislation at the time.

An introduction or removal of constraints to the circulation of stock certificates shall not give the right of withdrawal to those shareholders who did not approve the related resolution.

### **SHAREHOLDERS' MEETING**

#### **Article 7**

The convening of the meeting, which can take place in Italy, at or outside the registered office, and the right of attendance and representation at the meeting are governed by law and by the Articles of Association.

For the Extraordinary Meeting, the notice of the meeting may provide for a third call.

The shareholders for whom the Company has received the notice specified by subsection two of Article 2370 of the [Italian] Civil Code, at least two days prior to the date of the individual meeting, are entitled to attend the meeting.

The Ordinary Meeting must be convened within 120 days of the close of the company's financial year.

Requests to include items on the Agenda for the meeting, made by shareholders according to law, must be set out in a report prepared by these shareholders to be filed at the registered office in good time in order to be made available to members at least 10 days before the date scheduled for the meeting at first call.

#### **Article 8**

Each shareholder has the right to one vote at the meeting for each share held.

#### **Article 9**

The proper constitution of shareholders' meetings and the validity of resolutions thereof are regulated by law. In addition to the law and these Articles of Association, the conduct of meetings shall be governed by the Regulations governing Shareholders' Meetings, approved by a resolution of the Ordinary Meeting of the company.

#### **Article 10**

The shareholders' meeting shall be chaired by, in the following order, the Chairman of the Board, the

Vice Chairman and Managing Director, if appointed, or by a Vice Chairman or a Managing Director; should there be two or more Vice Chairmen or Managing Directors, the chair shall be taken by the eldest of these.

In the absence of the above-mentioned individuals, the chair shall be taken by another person designated by the meeting with the vote of the majority of the capital represented at the meeting. The Chairman of the meeting shall be assisted by a Secretary appointed by the meeting with the vote of the majority of the capital represented at the meeting, who may also be chosen from outside the body of shareholders; the assistance of the Secretary is not necessary when a notary is designated to draw up the minutes of the meeting.

The Chairman of the meeting shall preside over the meeting and conduct the proceedings thereof

pursuant to the law and these Articles of Association. To this end, the Chairman's duties shall include ensuring that the meeting is properly constituted; ascertaining the identity of the members present and their right to participate, including by proxy; ascertaining the quorum for resolutions; regulating the proceedings, also by establishing a different order of discussion of the subjects indicated in the notice of meeting. The Chairman must also adopt any measures deemed opportune for the smooth running of the discussion and of the voting, defining the procedures and ascertaining the results thereof.

#### **Article 11**

The resolutions of the shareholders' meeting shall be set out in the minutes signed by the Chairman of the meeting and by the Secretary of the meeting or the notary.

The minutes of the Extraordinary Meeting must be drawn up by a notary designated by the Chairman of the meeting.

Any copies and extracts that are not drawn up in notarial form shall be certified as true copies by the Chairman of the Board of Directors.

### **ADMINISTRATION**

#### **Article 12**

The company shall be managed by a Board of Directors comprising between 5 and 19 members who shall remain in office for three financial years (save where a shorter term is agreed by the members of the meeting at the time of the appointment) and may be re-elected.

The meeting shall determine the number of members on the Board of Directors, which shall remain firm until otherwise agreed.

The Board of Directors shall be appointed on the basis of lists submitted by the shareholders, in accordance with the provisions of the following sections, in which candidates are listed sequentially.

The lists submitted by shareholders, and signed by those submitting them, must be deposited at the company's registered office, so that they can be made available to anyone requesting to see them, at least fifteen days before the date scheduled for the Meeting at first call.

Each shareholder may submit, or participate in submitting, one list only and each candidate can be included in one list only, on pain of disqualification.

The right to submit lists is conferred solely upon shareholders who, on their own or together with other shareholders, overall hold shares representing at least 2 percent of the share capital with the right to vote at ordinary meetings, or less as required by the regulations issued by the Commissione nazionale per le Società e la Borsa [National Commission for Listed Companies and the Stock Exchange], with the obligation to provide evidence of the ownership of the number of shares necessary to submit the lists by the deadline for the submission thereof.

Each list must be submitted together with the acceptances of the candidacy of individual candidates and declarations whereby the latter state, under their own responsibility, that there is no reason why they cannot be elected nor any conflict, and that they fulfil the conditions stipulated for the offices in question. A Curriculum Vitae will be submitted for each candidate to accompany the declarations, setting out their personal and professional details, and the management and audit positions they have held with other companies, and their eligible status as independent directors, in accordance with legal and/or regulatory requirements and the requirements of the Company itself. Any changes that might take place up until the date of the actual meeting shall be notified to the Company in good time.

Any lists submitted which fail to comply with the above conditions shall be considered not to have been submitted. Each individual with the right to vote can vote on one list only. For appointment to the Board of Directors, the following procedure shall be observed:

- a) four-fifths of the directors to be elected shall be taken from the list receiving the majority of the votes cast by the shareholders in the order in which they appear on this list, rounding down fraction numbers, if any, to the next nearest unit;
- b) the rest of the directors shall be taken from the other lists; to this end, the votes received by the lists shall be divided subsequently by progressive integers, from one to the number of directors still to be elected.

The quotients thus obtained shall be allocated progressively to the candidates on each of these lists, according to the order in which they appear.

The quotients allocated in this way to the candidates on the various lists shall be arranged in a single descending order of rank. Those who have received the highest quotients shall be elected.

Should several candidates receive the same quotient, the candidate on the list that has not yet elected a director or that has elected the fewest directors shall be elected.

Should none of these lists have elected a director or they have elected the same number of directors, the candidate on the list that has received the highest number of votes shall be elected. In the event of a tie between the lists and the same quotient, the whole meeting shall again vote, and the candidate with a simple majority of votes shall be elected.

If the list voting system does not produce the minimum number of independent directors required by legal and/or regulatory provisions, the non-independent candidate elected with the highest progressive number in the list which had the highest number of votes shall be replaced by the independent candidate not elected on this same list according to the progressive order of appearance and so forth, list by list, until the minimum number of independent directors is reached.

If any directors are not appointed according to the procedure specified above, the meeting shall deliberate by the majorities required by law.

If, during the course of the year, one or more directorships should become vacant, the provisions of Article 2386 of the [Italian] Civil Code shall apply.

The loss of a director's independent status shall not constitute grounds for forfeiture of office if the minimum number of members required by legal and/or regulatory provisions and meeting the legal conditions for independence remains in office.

Should more than half of the directors resign or vacate office for any other reason, the entire Board of Directors shall be considered deprived of its rights with effect from the time of its reorganisation. Unless otherwise agreed by the Meeting, the directors shall not be bound by the prohibition set out in Article 2390 of the Civil Code.

### **Article 13**

The Board of Directors shall appoint a Chairman, should the meeting not already have done so, and, if necessary, one or more Vice-Chairmen.

If the Chairman is absent, the chair shall be taken by, in the following order, the Vice Chairman and Managing Director, if appointed, a Vice Chairman or a Managing Director; should there be two or more Vice Chairmen or Managing Directors, the chair shall be taken by the eldest of these.

The Board of Directors shall appoint a Secretary who may also be chosen from outside its members.

### **Article 14**

The Board of Directors shall meet when called by the Chairman or by whoever is replacing him at the company's registered office or in any other place that shall be established in the letter of invitation, whenever he deems it appropriate in the company's interest, or when a request has been made in writing by one of the Managing Directors or by one-fifth of the board members in office.

The Board of Directors may also be convened by the Board of Statutory Auditors, or by any statutory auditor, by means of a notice to the Chairman of the Board. The Chairman shall notify members in advance of the topics to be covered during the board meeting and shall ensure that adequate information on the issues to be discussed is provided to all the board members, taking into account the circumstances of each case.

Notices of meetings are sent by registered letter, telegram, fax or e-mail sent at least five days before the day on which the meeting is to be held (or, in cases of urgency, at least six hours before) to each director and statutory auditor.

The Board of Directors may, however, deliberate validly even if no formal notice has been given, when all its members and all the statutory auditors in office are present. Should the Chairman or his replacement deem it necessary, participation at board meetings - and at meetings of the Executive Committee, where one is appointed - may take place by means of electronic communication that allows all participants to take part in the discussion and have equal access to

information.

The meeting of the Board of Directors - or of the Executive Committee, where one is appointed - is considered to be held at the place where the Chairman and the Secretary are both present.

#### **Article 15**

Meetings of the Board of Directors may also be held in a place other than the registered office, provided it is in Italy or in a country of the European Union.

#### **Article 16**

Meetings of the Board of Directors are regularly constituted when the majority of the directors in office are in attendance and when resolutions are carried by the majority of votes expressed.

In the case of an equality of votes, the Chairman of the meeting shall have the casting vote.

#### **Article 17**

Resolutions of the Board of Directors, even if taken in meetings held by means of electronic communication, shall be recorded in the minute book and signed by the Chairman of the meeting and the Secretary.

Any copies and extracts that are not drawn up in notarial form shall be certified as true copies by the Chairman of the Board of Directors.

#### **Article 18**

The Board of Directors is vested with the widest powers for the ordinary and extraordinary management of the company, with the right to carry out, without limitation whatsoever, all the activities considered appropriate in order to implement and achieve the company object, excluding only those which the law and the Articles of Association reserve specifically to the competence of the meeting. Within the limits of the law, the Board of Directors is vested with the power to decide upon mergers or demergers, the reduction of the share capital where shareholders exercise their right of withdrawal, the adaptation of the Articles of Association to regulatory provisions, the transfer of the registered office within national territory, and the setting up or closing down of secondary offices.

The Board of Directors and the Board of Statutory Auditors shall be informed, including through their representatives, of the activity carried out, the general management trends, the foreseeable trends and all significant economic, financial and asset activities carried out by the company or subsidiaries. In particular, representatives shall report on the activities in which they have an interest, on their own behalf or that of third parties, or which may be influenced by the subject that carries out the management and coordination activity, if applicable.

These reports shall be made in good time, and in any case, at least every three months, at meetings or in written form.

#### **Article 19**

For the management of the social enterprise the Board of Directors is authorised to delegate the powers it deems appropriate to one or more of its members, possibly also conferring on them the title of Managing Directors, granting them signing authority, individually or collectively, as it deems fit.

It may also delegate its own duties to an Executive Committee made up of some of its members, whose remuneration shall be established by the shareholders' meeting.

It may also appoint one or more Committees with advisory and consultative functions, also for the purpose of adapting the corporate governance structure to the recommendations that may from time to time be issued by the competent authorities.

The Board of Directors shall appoint the officer responsible for preparing the financial reports, after obtaining the assent of the Board of Statutory Auditors. Unless withdrawn for valid reasons, once the opinion of the Board of Statutory Auditors has been heard, the office of the officer responsible for preparing the financial reports shall expire together with the Board of Directors that appointed him.

The officer responsible for preparing the financial reports must be an expert in administration, finance and control and possess the requisites of honourability laid down for directors. Any loss of said requisites shall lead to the revocation of the office, which must be declared by the Board of

Directors within thirty days from learning of such loss. Lastly, the Board of Directors can also appoint Director Generals; Vice-Director Generals, Directors, Vice-Directors and proxies for individual deeds, or categories of deeds, determining the powers and duties thereof. The appointment of Directors, Vice-Directors and proxies for individual deeds, or categories of deeds, can also be referred by the Board of Directors to the Managing Directors and Director Generals.

#### **Article 20**

The following are authorised to represent the company separately in dealings with third parties and in legal proceedings: the Chairman of the Board and, where appointed, the Vice Chairmen and Managing Directors, within the limits of the powers granted to them by the Board of Directors.

Each of these shall in any case have wide powers to initiate legal proceedings and appeals in any court of law, including cases of revision and appeal, to lodge exhibits and complaints in criminal proceedings, to bring civil action on behalf of the company in criminal cases, to initiate legal proceedings and appeals before all administrative jurisdictions, to intervene in and oppose actions and appeals concerning the company, granting for such a purpose the necessary mandates and proxies for appearing in court.

The Board of Directors and, within the limits of the powers granted to them by the Board of Directors, the Chairman and, where appointed, the Vice Chairmen and Managing Directors, are authorised to grant representation of the Company in dealings with third parties and in legal proceedings to Directors and to employees in general and also to third parties where applicable.

#### **Article 21**

In addition to reimbursement of expenses incurred in the performance of their duties, the members of the Board of Directors shall receive an annual recompense fixed by the shareholders' meeting.

The remuneration of directors invested with special offices is fixed by the Board of Directors, after hearing the opinion of the Board of Statutory Auditors.

### **BOARD OF STATUTORY AUDITORS**

#### **Article 22**

The Board of Statutory Auditors is made up of three statutory auditors and two alternate auditors who meet the requirements of current legal and regulatory provisions. To this end, it shall be considered that the matters and sectors of activity closely connected to those of the company are specified in the objects of the company, with particular regard to companies or entities active in the financial, industrial, banking, insurance and property fields and the service sector in general.

The Ordinary Meeting elects the Board of Statutory Auditors and determines their fees. The election of one statutory auditor and one alternate auditor is reserved for the minority.

Unless otherwise specified in the third-to-last paragraph of this article, the Board of Statutory Auditors is appointed - in accordance with legal and/or regulatory provisions - on the basis of lists presented by the shareholders in which the candidates are listed sequentially.

Each list shall contain a number of candidates that does not exceed the number of members to be elected.

Shareholders with the right to present lists are those who, on their own or together with other shareholders, represent at least 2 percent of the shares with the right to vote at ordinary meetings, or less as required by the regulations issued by the National Commission for Listed Companies and the Stock Exchange on the submission of lists of candidates for the appointment of the Board of Directors, with the obligation to provide evidence of the ownership of the number of shares required to submit the lists of candidates for the post of auditor in accordance with legal and/or regulatory provisions. Each shareholder may submit or participate in the submission of one list only.

The lists of candidates, signed by those presenting them, must be submitted to the company's registered office, available to anyone requesting to see them, at least fifteen days prior to the date scheduled for the meeting at first call, unless extended in the cases provided by legal and/or regulatory provisions. Without prejudice, under all instances, to any other documentation required by legal and/or regulatory provisions, the lists must be accompanied by a description of the Curriculum Vitae concerning the personal and professional details of the candidates designated, and setting out the management and audit posts they have held at other companies, and

declarations whereby individual candidates accept their candidatures, and under their own responsibility, state that there is no reason why they cannot be elected nor any conflict, and that they fulfil the conditions required by the relevant regulatory and other provisions and by the Articles of Association for the office. Any changes that might take place up until the date of the actual meeting shall be notified to the Company in good time.

Any lists submitted which fail to comply with the above conditions shall be considered not to have been submitted. Each candidate can be inserted on one list only upon pain of disqualification.

The lists shall be divided into two sections: one for the post of statutory auditor and the other for the post of alternate auditor. The first candidate in each section must be included among those entered on the Register of Chartered Accountants who have carried out the statutory auditing of accounts for a period of at least three years.

Each individual with the right to vote can vote on one list only.

The members of the Board of Statutory Auditors shall be elected in the following manner:

- a) two statutory members and one alternate member shall be taken from the list which received the highest number of votes (majority list), in the sequential order in which they appear on the list;
- b) the other statutory member and the other alternate member shall be taken from the list which received at the meeting the highest number of votes after the first (minority list) in the sequential order in which they appear on the list. If several lists receive the same number of votes, a second ballot shall be held from among these lists by all the members present at the meeting. The candidates on the list that receives a simple majority of the votes shall then be elected.

The chairman of the Board of Statutory Auditors shall be the statutory auditor that appears as the first candidate in the minority list. In the event of the death, resignation or removal from office of a statutory auditor, the alternate auditor belonging to the same list shall take his place. However, if the Chairman of the Board of Statutory Auditors is replaced, the chair shall be assumed by the elected candidate on the list to which the lapsed chairman belonged, according to the order on the list. If replacement is not possible in accordance with the above conditions, a meeting shall be convened to complete the Board of Statutory Auditors which shall deliberate by relative majority. When the meeting appoints, according to the above criteria or according to law, the statutory auditors and/or alternate auditors necessary to complete the Board of Statutory Auditors, the procedure shall be as follows:

If auditors elected from the majority list are to be replaced, the appointment shall take place by a majority of the votes without listing constraint. If, however, it is necessary to replace auditors elected from the minority list, the meeting shall replace them by a majority of the votes, selecting them, if possible, from among the candidates on the list to which the auditor to be replaced belonged, and in any case, in accordance with the principle of the necessary representation of minorities, whose right to participate in the appointment of the Board of Statutory Auditors is provided by these Articles of Association.

The principle of necessary representation of minorities is considered to have been observed in the event of the appointment of auditors who were candidates on the minority list or other lists other than the list which, at the time of the appointment of the Board of Statutory Auditors, had obtained the highest number of votes.

If only one list is submitted, the Meeting shall vote thereupon. If the list receives the relative majority, the candidates indicated in the relevant section of the list shall be elected as statutory and alternate auditors. The person in first place on this list shall be the Chairman of the Board of Statutory Auditors. For the appointment of the auditors for any reason not appointed according to the procedure specified herein, the Meeting shall deliberate by the majorities required by law.

The outgoing auditors may be re-elected.

Participation at meetings of the Board of Statutory Auditors may take place - should the Chairman or his replacement deem it necessary - by means of electronic communication that allows all participants to take part in the discussion and have equal access to information.

## **ANNUAL ACCOUNTS - APPROPRIATION OF PROFITS**

### **Article 23**

The financial year closes on December 31 of each year.

### **Article 24**

After the provision of 5% (five per cent) for the legal reserve until this has reached one-fifth of the share capital, the net income for period shall, unless otherwise determined by the meeting on their use, be divided between the shareholders in proportion to the shares held.

Dividends that are not collected within five years from the day they fall due shall revert to the company.

The company, where allowed by the legal conditions, may distribute interim dividends.

## **GENERAL PROVISIONS**

### **Article 25**

The shareholders' domicile, for all matters concerning their relationship with the company, is understood, for all legal purposes, to be the one recorded in the book of shareholders.

### **Article 26**

For any matter not provided for in these Articles of Association, reference shall be made to the legal provisions.

Signed: Marco Tronchetti Provera

Signed: Carlo Marchetti

Pirelli & C. REAL ESTATE S.p.A.

April 14, 2008 13.29.00

ORDINARY/EXTRAORD. GENERAL MEETING OF APRIL 14, 2008  
(2<sup>nd</sup> call April 16, 2008)

-EXTRAORDINARY part

RESULTS OF VOTE

Re: **Amendment of arts. 7, 12, 18, 22 of the Articles of Association**

**The following took part in the voting:**

- 66 Shareholders holding a total of  
26,467,384 ordinary shares amounting to 62.134047%  
of the ordinary share capital.

**The votes were distributed as follows:**

		%ORDINARY SHARES REPRESENTED (Deliberative quorum)	% SHARES WITH VOTING RIGHTS	%SH.CAP.
<b>IN FAVOUR OF No.</b>	25,325,566	95.685943%	95.685943%	59.453549%
<b>AGAINST No.</b>	855,542	3.232439%	3.232439%	2.008445%
Sub Total	26,181,108	98.918382%	98.918382%	61.461994%
<b>ABSTAINING No.</b>	286,276	1.081618%	1.081618%	0.672053%
<b>NON-VOTING No.</b>	0	0.000000%	0.000000%	0.000000%
Sub total	286,276	1.081618%	1.081618%	0.672053%
<b>Total No.</b>	26,467,384	100.000000%	100.000000%	62.134047%

No. of shares required for approval: **17,644,923** equal  
to 66.666667% of the shares represented

ORDINARY/EXTRAORD.GENERAL MEETING OF April 14,  
2008 (2<sup>nd</sup> Ord. call April 16, 2008)

-EXTRAORDINARY part

LIST OF VOTING RESULTS re: Amendment of arts. 7, 12,  
18, 22 of the Articles of Association

AGAINST		Tot. Votes	
Surname/Name			
12 CARDARELLI ANGELO		0	0
*D GMO INTERNATIONAL SMALL COMPANIES FUND		32461	0 32461
*D SAN DIEGO GAS & ELECTRIC CO NUCLEAR FACILITIES QUALIFIED DECOMMISSIONING TRUST		1300	0 1300
*D SEMPRA ENERGY PENSION MASTER TRUST		489	0 489
*D J SAINSBURY COMMON INVESTMENT FUND		3435	0 3435
*D WHEELS COMMON INVESTMENT FUND		1000	0 1000
*D FORD MOTOR COMPANY DEFINED BENEFIT		1579	0 1579
*D FORD OF CANADA MASTER TRUST FUND		353	0 353
*D AXA AEDIFICANDI		90000	0 90000
*D STREETTRACKS DJ WILSHIRE INTERNATIONAL REAL ESTATE ETF		55844	0 55844
*D STATE TREASURER OF MICH CUSTODIAN OF PUBLIC SCHOOL EMPL RTMNT SYSTEMS		5990	0 5990
*D CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM		11900	0 11900
*D ACTIVE INTERNATIONAL SMALL CAP LENDING COMMON TRUST FUND		7291	0 7291
*D AXA WORLD FUNDS -^		44000	0 44000
*D NEW STAR GLOBAL INVESTMENT FUNDS PLC		130696	0 130696
*D ILLINOIS STATE BOARD OF INVESTMENT		20985	0 20985
*D STATE STREET MIDCAP EUROPE		8923	0 8923
*D BALZAC UMBRELLA INDEX COMPARTIMENT BALZAC REAL ESTATE INDEX		15096	0 15096
*D STATE STREET BANK AND TRUST COMPANY INVESTMENT FUNDS FOR TAXEXEMPT RETIREMENT PLANS		8428	0 8428
*D MSCI EAFE SMALL CAP PROVISIONAL INDEX	SECURITIES COMMON TRUST FUND	841	0 841
*D WELLS DOW JONES WILSHIRE GLOBAL RESI	INDX FUND	822	0 822
*D WISDOMTREE INTERNATIONAL MIDCAP	DIVIDEND :	5038	0 5038
*D UMWA 1974 PENSION TRUST		6162	0 6162
<D KAS DEPOSITARY TRUST COMPANY		4000	0 4000
*D NEW STAR EUROPEAN GROWTH	FUND	219369	0 219369
*D FT DOW JONES GLOBAL SELECT DIVIDEND	INDEXFUND	1060	0 1060
*D ING RENDEMENT EUROPE		28000	0 28000
*D SOUTHERN CALIFORNIA UFCW LARGE CAP	INTERNATIONAL PENSION FUND	3100	0 3100
*D ING BEWAAR MAATSCHAPPIJ 1 BV		2965	0 2965
*D WISDOMTREE INTERNATIONAL REAL ESTATE	SECTOR FUND C/OR BNY MELLON	2129	0 2129
*D CAISSE DE DEPOT ET PLACEMENT DU QUEBEC		7600	0 7600
*D ISHARES DOW JONES EPAC SELECT DIVIDEND INDEX FUND		59365	0 59365
*D ISHARES FTSE DEVELOPED SMALL CAP EX NORTH AMERICA INDEX FUND		706	0 706
*D ISHARE S&P WORLD EX US PROPERTY INDEX FUND		3648	0 3648
*D ISHARES MSCI EAFE SMALL CAP INDEX FUND		2440	0 2440
*D BARCLAYS GLOBAL INVESTORS NA INVESTEMENT FUNDS FOR EMPLOYEE BENEFIT TRUSTS		1954	0 1954
*D WORLD EX US SMALL CAP PLUS FUND		1755	0 1755
*D BGI MSCI EAFE SMALL CAP EQUITY INDEX FUND B		816	0 816
*D MNSFOE RE FOE1A-EQUITY RE EU		3163	0 3163
*D STITCHTING BEDRIJFSPENSIOENFONDS VOOR DE METAAL EN TECHNISCHE BEDRIJFSTAKKEN (BPMT)		60839	0 60839

ORDINARY/EXTRAORD.GENERAL MEETING OF April 14,  
2008 (2<sup>nd</sup> Ord. call April 16, 2008)

-EXTRAORDINARY part

LIST OF VOTING RESULTS re: **Amendment of arts. 7, 12,  
18, 22 of the Articles of Association**

Surname/Name	AGAINST	Tot, Votes
<hr/>		
<b>Total votes</b>	855,542	
<b>Percentage of voters</b>	% 3.232439	

ORDINARY/EXTRAORD.GENERAL MEETING OF April 14,  
2008 (2<sup>nd</sup> Ord. call April 16, 2008)

-EXTRAORDINARY part

LIST OF VOTING RESULTS re: **Amendment of arts. 7, 12,  
 18, 22 of the Articles of Association**

Surname/Name	ABSTAINING	Tot. Votes		
42 CARDARELLI ANGELO		0	0	0
**D AMERICAN FUNDS INSURANCE SERIES GLOBAL SMALL CAPITALIZATION FUND		57500	0	57500
**D IAM NATIONAL PENSION FUND		13476	0	13475
**D AGF ASSET MANAGEMENT	AGF FONCIER	162300	0	162300
**D AGF ASSET MANAGEMENT	AGFIMO	53000	0	5300
<b>Total votes</b>	286,276			
<b>Percentage of voters</b>	% 1.081618			

ORDINARY/EXTRAORD.GENERAL MEETING OF April 14,  
2008\_(2<sup>nd</sup> Ord. call April 16, 2008)

-EXTRAORDINARY part

LIST OF VOTING RESULTS re: **Amendment of arts. 7, 12,  
18, 22 of the Articles of Association**

Surname/Name	NON VOTING	Tot. Votes
<hr/>		
<b>Total votes</b>	0	
<b>Percentage of voters</b>	% 0.000000	

ORDINARY/EXTRAORD.GENERAL MEETING OF April 14,  
2008 (2<sup>nd</sup> Ord. call April 16, 2008)

-EXTRAORDINARY part

LIST OF VOTING RESULTS re: Amendment of arts. 7, 12, 18,  
22 of the Articles of Association

Surname/Name	IN FAVOUR	Tot, Votes		
GIRONI SILVIA		0	0	0
PIRELLI & C, S.P.A.		23567964	0	2356796
FABRIS CARLO		2	2	0
CEOLA OTELLO		1000	1000	0
ZAMBELLINI SERGIO		50	50	0
RADAELLI CAROLA MARIA IOLE		399227	0	399227
LE PERA DOMENICO		0	0	0
INVESTMENTS SUD ITALY S.R.L.		1	1	0
INCONTRI CARLO		0	0	0
ASSICURAZIONI GENERALI		200000	0	200000
RIMBOTTI FRANCESCO		20	20	0
BONOLDI ALDO		100	100	0
DAVANZO PIETRO		2100	2100	0
CARDARELLI ANGELO		0	0	0
ROCKEFELLER BROTHERS FUND INC		2573	0	2573
COMMONW PENNSYLV PUB SCHOOL EMPL RET		2900	0	2900
MEGA INTERNATIONAL COMMERCIAL BANK CO LTD IN ITS CAPACITY AS MASTER CUSTODIAN OF ABN AMRO GLOBAL FUN		1850	0	1850
CHANG HWA COMMERCIAL BANK LTD. IN ITS CAPACITY AS MASTER CUSTODIAN OF ING CKB GLOBAL HIGH DIVIDEND		3520	0	3520
COLLEGE RETIREMENT EQUITIES FUND		50	0	50
TAIWAN: BUSINESS BANK IN ITS CAPACITY AS MASTER CUSTODIAN OF ABN AMRO GLOBAL BALANCED FUND		800	0	800
POWERSHARES FTSE- RAFI INTERNATIONAL REAL ESTATE PORTFOLIO		214	0	214
POWERSHARES FTSE RAFI EUROPE SMALL PORTFOLIO		272	0	272
POWERSHARES FTSE RAFI DEVELOPED MARKETS EX-US SMALL PORTFOLIO		244	0	244
ALPINE GLOBAL PREMIER PROPERTIES FUND		513795	0	513795
KUWAIT FUND FOR ARAB SCONOMIC DEVELOPMENT		1551	0	1551
POWERSHARES GLOBALFUNDS IRELAND PUBLIC LIMITED COMPANY		60	0	60
MAGI ^I,DO MARCO		0	0	0
FRATELLI PURI NEGRI SAPA		627273	627273	0

Total votes 25,325,566

Percentage of voters 95.685943

%

DELEGATORS AND DELEGATEES

ANELLI MARIA LUISA  
- BY PROXY ON BEHALF OF  
EFIN ECONOMIA E FINANZA S.R.L.

ANNIBALETTI ANGELO BONOLDI ALDO

CARDARELLI ANGELO

- BY PROXY ON BEHALF OF

GMO INTERNATIONAL SMALL COMPANIES FUND

STATE TREASURER OF MICH CUSTODIAN OF PUBLIC SCHOOL EMPL

RTMNT SYSTEMS Agent: STATE STREET BANK AND TRUST COMPANY

CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM Agent: STATE

STREET BANK AND TRUST COMPANY

ACTIVE INTERNATIONAL SMALL CAP LENDING COMMON TRUST FUND

Agent: STATE STREET BANK AND TRUST COMPANY

AXA VVORLD FUNDS Agent-STATE STREET BANK AND TRUST

NEW STAR GLOBAL INVESTMENT FUNDS PLC Agent.-STATE STREET

BANK AND TRUST COMPANY

ILLINOIS STATE BOARD OF INVESTMENT Agent: STATE STREET BANK

AND TRUST COMPANY

STATE STREET MIDCAP EUROPE Agent.-STATE STREET BANK AND

TRUST COMPANY

BALZAC UMBRELLA INDEX COMPARTIMENT BALZAC REAL ESTATE

INDEX Agent:STATE STREET BANK AND TRUST COMPANY

STATE STREET BANK AND TRUST COMPANY INVESTMENT KUNDS FOR

TAXEXEMPT RETIREMENT PLANS Agent: STATE STREET BANK AND

MSCI EAFE SMALL CAP PROVISIONAL INDEX SECURITIES COMMON

TRUST FUND Agent: STATE STREET BANK AND TRUST COMPANY

SAN DIEGO GAS & ELECTRIC CO NUCLEAR FACILITIES QUALIFIED

DECOMMISSIONINGTRUST Agent.-MELLON BANKN.A.

WELLS DOW JONES WILSHIRE GLOBAL RESI INDX FUND

WISDOMTREE INTERNATIONAL MIDCAP DIVIDEND

UMWA 1974 PENSION TRUST

KAS DEPOSITARY TRUST COMPANY

NEW STAR EUROPEAN GROWTH FUND

FT DOW JONES GLOBAL SELECT DIVIDEND INDEXFUND

ING RENDEMENT EUROPE

SOUTHERN CALIFORNIA UFCW LARGE CAP INTERNATIONAL

PENSION FUND

ING BEWAAR MAATSCHAPPU 1 BV

WISDOMTREE INTERNATIONAL REAL ESTATE SECTOR FUND C/OR

BNY

SEMPRA ENERGY PENSION MASTER TRUST Agent.-MELLON BANK NJV.

ROCKEFELLER BROTHERS FUND INC Agent: MELLON BANKN.A.

COMMONW PENNSYLV PUB SCHOOL EMPL RET Agent:MELLON BANK

N.A.

MEGA INTERNATIONAL COMMERCIAL BANK CO LTD IN ITS CAPACITY

AS MASTER CUSTODIAN OF ABN AMRO GLOBAL FUND Agent:STATE

CHANG HWA COMMERCIAL BANK LTD. IN ITS CAPACITY AS MASTER

CUSTODIAN OF ING CHB GLOBAL HIGH DIVIDEND FUND Agent:STATE

COLLEGE RETIREMENT EQUITIES FUND Agent:STATE STREET BANK

AND TRUST COMPANY

TAIWAN BUSINESS BANK IN ITS CAPACITY AS MASTER CUSTODIAN OF

ABN AMRO GLOBAL BALANCEDFUND Agent:STATE STREET BANK

POWERSHARES FTSE RAFI INTERNATIONAL REAL ESTATE

PORTFOLIO

POWERSHARES FTSE RAFI EUROPE SMALL PORTFOLIO

POWERSHARES FTSE RAFI DEVELOPED MARKETS EX-US SMALL

PORTFOLIO

ALPINE GLOBAL PREMIER PROPERTIES FUND

J SAINSBURY COMMON INVESTMENT FUND Agent:NORTHERN TRUST

-LO

KUWAIT FUND FOR ARAB ECONOMIC DEVELOPMENT

POWERSHARES GLOBALFUNDS IRELAND PUBLIC LIMITED COMPANY

Partial Total

RESULTS OF THE VOTE  
Extraordinary

0

5

5

1.000

100

0

32.461

5.990

11.900

7.291

44.000

130.696

20.985

8.923

15.096

8.428

841

1.300

822

5.038

6.162

4.000

219.369

1.060

28.000

3.100

2.965

2.129

489

2.573

2.900

1.850

3.520

50

800

214

272

244

513.795

3.435

1.551

60

1

X

X

X

F

-

C

C

C

C

C

C

C

C

C

C

C

C

C

C

C

C

C

C

F

F

F

F

F

F

F

F

F

F

F



**PARTICIPATING SHAREHOLDERS**

NAME OF SHAREHOLDER  
DELEGATORS AND DELEGATEES

Partial      Total  
**50**

RESULTS OF THE VOTE Extraordinary
1

Signed: Marco Tronchetti Provera  
Signed: Carlo Marchetti

Legend:  
Amendment of arts 7. 12. 18. 22 of the Articles of Association  
F= In favour of; C= Against; A= Abstaining; - Non-voting; X: Absent for the vote